

Currencies in Crisis

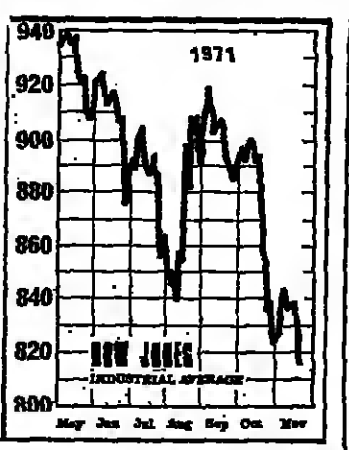
FINANCIAL TIMES

JINTON AZELL LIMITED

News Summary

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WALL STREET'S index ended 11.24 lower at \$14.91, a



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Tough price and profit margin rules for U.S. companies

BY GUY de JONQUIERES

WASHINGTON, Nov. 11

In its first major pronouncement on the shape of U.S. post-freeze inflation policy, the Price Commission to-day issued guidelines tying further price rises to cost increases and setting ceilings on companies' pre-tax profit margins.

The general objective of the guidelines is to keep the average rate of price inflation throughout the American economy to 2 1/2 per cent a year after the freeze ends at the week-end, though individual rises are expected to range above and below this target.

The policy of the Commission is that price increases will only be allowed if they can be justified on the basis of rises in costs. It has firmly established, moreover, that the only costs to be taken into account are those rising on or after November 14—the first day of Phase Two—and that no price increases scheduled before the freeze will be allowed to go into effect.

Controversial

By far the toughest and most controversial new measure is the Commission's ruling that no price increases will be allowed in any of the economic sectors—manufacturing, distribution and services—unless they lead to an increase in pre-tax profit margins as a percentage of total sales.

While this limitation may go some way to mollify the trades unions, which are still deciding whether or not to co-operate with the Price Commission's sister body, the Pay Board, it is un-

likely to be welcomed by industry as a whole.

The ceilings on profit margins are calculated on profit performance during the best two of three of the fiscal years preceding President Nixon's announcement of a new economic policy on August 15. Taken together, these are hardly three of the most profitable years which American industry has enjoyed.

But profit margins for manufacturing industry were severely depressed during 1970, and in some categories at least margins this year may still have some way to go before they reach the average level achieved over the base period.

Naval orders for Scotland and North

By James McDonald, Shipping Correspondent

THE "ACCELERATED" £70m. naval orders for British shipyards forecast by Lord Carrington, Secretary of State for Northern Ireland to-day to see for themselves.

The Protestant proletariat in Belfast staged a mass walk-out protest against the visit, almost bringing business to a halt in the city.

A few hours before the Labour leaders returned to London a sergeant on a constable were killed by terrorists in Belfast, raising the number of police murdered in Ulster this year to 11.

Mr. Callaghan described the shooting as cold-blooded murder. He said: "I think the Royal Ulster Constabulary is behaving with remarkable bravery considering the strain they are working under."

The murdered men were Sgt. Dermot Hurley, 50, a Catholic married man with five children, and PC Thomas James Walter Moore, 37, a single man.

The gunmen escaped in a car. Both policemen were unarmed. Sgt. Hurley was in uniform but was wearing an anorak over his clothes. A police spokesman said: "We can only come to the conclusion that it was a planned premeditated murder."

Meanwhile the Official IRA disclaimed responsibility for tarring and feathering of girls going out with soldiers and said anyone doing "this sort of dastardly act will be dealt with immediately."

The Provisionals also said they were not responsible for these attacks.

Mr. Callaghan and Mr. Benn spent the day at a hotel near the airport discussing the situation with other politicians from both Northern Ireland and the Irish Republic.

Northern Ireland offered Mr. Callaghan a sorry sight. To-day it is littered with the bones of British policy. The abolition of the B Specials—which took place while Mr. Callaghan was Home Secretary in the Labour Government—continues to enrage the Protestant community, hence to-day's protest. The policy of internment, introduced by the Conservative Government, has

2 police killed as Callaghan visits Ulster

BY JOHN GRAHAM

BELFAST, Nov. 11

MR. JAMES CALLAGHAN, the Shadow Home Secretary, and Mr. Wedgwood Benn, chairman of the Labour Party, came to Northern Ireland to-day to see for themselves how the people of Northern Ireland express their disillusionment, they could not have come on a better day, but their purpose also was to search for a new policy with which to restore peace to this country as well as to oppose Mr. Heath's Government. And in this particular, to-day's discussions have created a new political situation.

At a Press conference after his meeting, Mr. Callaghan said: "I think that internment as a policy by itself has failed." The policy begun under the Labour Government in 1969 "has run its course, and it seems to us necessary to create a new policy with which to restore peace to this country as well as to oppose Mr. Heath's Government. And in this particular, to-day's discussions have created a new political situation."

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Four commercial radio stations at first

BY ARTHUR SANDLES

LONDON, Manchester, Birmingham and Glasgow will be the first four British cities to have local commercial radio. This was indicated in the Commons last night by Mr. Christopher Chataway, Minister of Posts and Telecommunications.

A further 20 stations should follow within one year of these.

But he qualified his statement on the siting of the first four stations by saying that the choice was still only a tentative view.

Moving the second reading of the Sound Broadcasting Bill, Mr. Chataway also gave further indications of Government thinking on the subject of news coverage by commercial radio. He suggested that a major role could be played by Independent Television News.

News plans

He said that London would have two stations, one of them specialising in news. "That station, which may collaborate closely with ITN, will also provide national and international news to the other stations."

Co-operation

In response to questions such as these, Dr. C. Jackson Grayson, chairman of the Commission, emphasised that its Phase Two programme will not be successful unless it enlists the co-operation of all sections of society.

Although the general outlines of the Price Commission's policies are no unknown, a large number of details still have to be decided. No specific decisions have been taken, for example, on how to control rents or on new product pricing formulae.

Significant

These orders—including a number of other orders for small auxiliary craft to be placed in the near future—will provide significant employment for the shipbuilding companies concerned and during the next year they should create or preserve more than 4,000 jobs for workers directly employed on Royal Navy orders," said the Ministry of Defence last night.

Indirect employment in the shipyards will also be increased, and a similar number of jobs will be provided in sub-contracting firms throughout the country.

The main impact however will be felt on the Clyde, the Tyne, at Leith and Burntisland.

Sir Eric Yarrow, chairman of Yarrow (Shipbuilders), said last night: "We are very pleased indeed to receive this order, particularly at this time on Clyde-side."

The four frigates, at about £8.5m. each, being Yarrow about £34m. of orders out of the total £70m.

Longer wait for colour TV sets

BY ARTHUR SANDLES

SOME WAITING lists for colour television sets have reached the point where delivery will not be made until after Christmas. Continued accelerating demand for sets is outstripping supply. Manufacturers sent out 272,000 colour sets in the third quarter of this year—but it has not been enough.

"Delivery time varies from two weeks to five, six or even eight weeks in some circumstances," said Thorn (Radio Rentals, DER and so on). "The waiting lists are getting slightly longer each week but demand appears to be levelling off."

There is considerable difference in the waiting time between different sizes and makes of sets. Most popular at the moment are the 22 inch models.

ON OTHER PAGES

Table with 2 columns: Page and Title. Includes sections like Appointments, Arts and Entertainment, Classified Advertisements, Crosswords, etc.

Target date

At the moment, likely contenders for the London news station include Associated Newspapers, Beaverbrook Newspapers, Network (an amalgam of City and some other newspaper titles) and the Press agencies.

The first commercial radio stations should be on the air in 1973. Mr. Chataway hopes that the IBA will experiment with ways of bringing commercial radio to sparsely populated areas.

Parliament, Page 8

MPs trip called off

BY PHILIP RAWSTORNE

PLANS FOR six Tory backbenchers to meet IRA leaders during proposed visit, intended to take a four-day tour of Northern Ireland and Eire were cancelled last night after a fierce party row at Westminster.

The group's leader, Mr. Derek Cunniff (Birmingham, Yardley), called off the trip after a 30-minute interview with Mr. Pym, Government Chief Whip.

Mr. Heath and Mr. Maudling, members of the Monday Club of the Home Secretary, were also threatened to issue a public statement branding the group as Unionists and Right-wing MPs.

A Credit to Britain

A DINERS CLUB SERIES

All credit to Perkins Engines for making the fastest marine diesel engine in the world—a turbocharged six cylinder unit which powered the boat which boosted the record by 3.7 mph to 68.204 mph on Lake Como this year.

Boats powered by similar engines have also won awards at every major international race staged in British waters within the last two years.

Fishing fleets know Perkins marine power too. Today fishermen in 67 countries benefit from this experience. In terms of total world marine diesel sales in the 25-165 shaft h.p. range, Perkins produces 21.7% of all engines sold.

A credit for exporting more than 86% of its total diesel engine production to 166 countries.

Lastly, credit to this enterprising multi-national company for making corporate arrangements with Diners Club for its top executives to use an international credit card.

Diners Club, 214 Oxford St., London, W1N 0BS In association with National Westminster Bank Group

The Bronx is up

by GEORGE OPPENHEIMER

The song hit of *On the Town*, If one has not seen the 1944 musical that has just been revived, has a lyric that is a helluva town, New York, New York, the Bronx is up and the Battery is down.

Another and even greater disappointment is *Unlikely Heroes*, a collection of three ethnic one-act plays by Philip Roth. Anyone who goes to see this collection expects to see a collection of three one-act plays by Philip Roth. Anyone who goes to see this collection expects to see a collection of three one-act plays by Philip Roth.

This first best of the trio is entitled "Defender of the Faith" and is laid at an army camp during World War II. In comic style it tells of a soldier of the Jewish faith who uses his religion to get all sorts of privileges and favours from his sergeant and fellow Jew with a sense of insecurity. All the soldier has to do is to mention a Jewish holiday (which goes on way beyond its normal course) in order to get exemption from work or a pass for the nearest town for himself and his two buddies.

The style of the play is somewhat that of *Story Theatre*, last season's enchanting dramatization of the Brothers Grimm in narration, ballet and mime. Unfortunately, Roth's stories are not nearly as simple and as forthright as these fairy tales. The second one, "Epstein," deals with a middle-aged Jew who cheats on his wife with a neighborhood widow and lands in the hospital with a heart attack. Only the narration, taken direct from Roth's story and in his own words, saves this item from failure.

Third and last, there is "Eli the Fanatic," a comment on anti-Semitism by Semites. A country club group resents the presence of a Jewish, a Hasidic school in its community, and tries to oust the teacher and his pupils. A lawyer is hired, and while carrying out his task is suddenly transformed into the most orthodox of all the Jews. Lou Jacobi, doubling as the husband in the second play and as the teacher in the third, is perfectly cast, and so, too, are Michael Tolkin as the fanatical rabbi and David Acton as the hapless sergeant. I am afraid, however, that the best thing I saw about the production was the inventive sets by Robert U. Taylor.

There is plenty to be more positively enthusiastic about in a festival which has new films by Bresson, Tati, Ray, Jancsó, Olmi, Kozintsev, by Jacques Demy, Walerian Borowczyk, André Delvaux, Ken Loach, Nagisa Oshima, Susan Seagalt, *Mysteries of the Organism*, and no less than seven films in a series devoted to debut directors.

The Festival director, Ken Wlaschko, says that despite the widely varied styles of the films, he finds one recurrent theme this year: "It could be described as a celebration of the irrationality often found in the unconscious." The description is appropriate to practically all the films of the Hungarian director, who is represented by two films in this year's festival. *Aorus Dei* is one of his most difficult works. Set in 1919 and the period of the Republic of Councils, the conflicts of the Reds and the Whites, with the church between the persecutions and murders are seen in terms of a strange, impassionate ritual like a medieval morality play. "All over the world," says Jancsó, analysing his per-

sonal concerns, "irrationality is spreading in an anxiety-causing way. The powers of irrationalism have been reorganised and are gaining ground in religion, nationalism and right-wing anarchy." The other Jancsó film, *The Pacifist*, made in Italy, with Monica Vitti as a TV journalist drawn into revolutionary student activities and with Pierre Clementi and Daniel Olbrychski also in the cast, has still to be seen.

Stalinism is the supreme instance of this elevation of irrationality to public ritual; and evident fear of its reawakening has inspired a number of films. From Yugoslavia, Makavejev's *WR—Mysteries of the Organism* assaults the Stalinist myth—along with a remarkable variety of other targets, Eastern and Western. From Hungary, Károly Makk's exquisite *Love* adapts a Tibor Déry story about the silent agonies of a young couple under the yoke of the early Stalinist regime. The director, Albert Rákosy, shrewdly compiles a document on the history of Czechoslovakia between 1948 and 1968—*Le Bonheur dans 20 ans*—a tragic picture of optimism repeatedly betrayed.

This is perhaps the most complete and vivid portrait of Stalinism we have seen, with its juxtapositions of the historic prosecutors and stammering victims of the show trials; glowing hymns in praise of peace and proletarian solidarity; beaming over-fulfilled People's heroes over-fulfilled. Plans by thousands per cent; all the flags and banners and ritual.

Other directors employ parables to treat related concepts. From Brazil, Nelson Pereira dos Santos's *How God Made Little Frenchman* is a comedy about a 16th-century Frenchman who becomes the friend and subsequently the enemy of a Brazilian Indian cannibal. *Punishment Park*, adopting the simulated "documentary" style developed by Peter Watkins in *Julien* and *The War Game*, supposes a future American round-up of subversives and is subjected to a murderous three-day endurance test.

I think it could be argued that Collo George, the Artistic Director, has opted for rather too low an intellectual level in his first production at this new house. *Punishment Park* consists of three parts, of which the first and last are for local children and the last an enjoyable musical ballad song that not only brings on the whole company but the City of Sheffield back as well.

The old Playhouse has had a children's theatre for nearly ten years. The quickness, confidence and imagination shown by the players in an improvised drama dealing, for reasons I need not go into, with an attack by hippopotami on a convention of cheese-manufacturers was a tribute to their work.

The middle of the sandwich is a performance by Ian McKellen and Edward Petherbridge of Chekhov's *Swan Song*. This is a sentimental one-act piece of fustian, an old comic actor's farewell to the stage. He has drunk too much in his benevolent night and gone to sleep in his dressing room; now, hung over and resentful, he resents his lost youth on the dark stage. He tries to recall it with bits of Boris Godunov, Lear, Hamlet, Othello—the speech from Boris, for some reason known only to Guy Sells, the translator, and David Williams, the director, spoken in Russian.

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Cinema

London Film Festival

by DAVID ROBINSON

This year's London Film Festival is the fifteenth; and for the first time I suppose the first reaction is that there are too many films (42 features and 58 shorts from 20 countries), maintain the highest standards, and the second, rapidly succeeded, the grumbles, deep gratitude that the Festival does in fact range so wide and show so much. The London Festival is our only chance to see works of interest, new talents or new ideas which may not have come off well enough to make the big prizes or to get commercial distribution outside their own countries. I may not much like Pascal Aubier's over-the-top and elaborate political joke *Volparrato*, or Arrabal's sadistic and epileptic *Viva la Muerte* or Susan Seagalt's previous *Brother Carl* or Peter Watkins' paranoid allegory *Punishment Park* or Volker Schlöndorff's rather literal *The Suffering*, but each of the directors is a creative personality whose best work cannot be ignored.

And there is plenty to be more positively enthusiastic about in a festival which has new films by Bresson, Tati, Ray, Jancsó, Olmi, Kozintsev, by Jacques Demy, Walerian Borowczyk, André Delvaux, Ken Loach, Nagisa Oshima, Susan Seagalt, *Mysteries of the Organism*, and no less than seven films in a series devoted to debut directors.

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Other views of the human condition, without necessarily being brotherly, are less dark and more serious, as Jacques Tati's *Trafic*, which opens the Festival on Monday, is a characteristic assertion by the French director of the sound of the machine. Monsieur Hulot reappears as the designer of an automated camp for cars, and the film relates his bizarre and the motor fair in Amsterdam.

The festival provides the British premiere of the outstanding discovery of this year's Venice Festival, Daryush Mehrlui's *The Cow*, from Iran. Its naive but mystical tale tells of the owner of the village's only cow, whose grief at the loss of his animal is so great that he experiences a transfer of personality, himself taking the place of the lost and loved one. The film's allegory of the Third World situation—its isolation and inaccessibility—is to a mistake to adapt a play directly to the screen. The film's spoken lines and human voices never suit them. The proper method would surely have been to create the play as a visual, balletic spectacle.

The Festival also includes personal and individual works like Jacques Demy's pretty *Peau d'Âne*, Bresson's latest encounter with Dostoevsky, *Quatre Nuits*, and the most complete and vivid portrait of Stalinism we have seen, with its juxtapositions of the historic prosecutors and stammering victims of the show trials; glowing hymns in praise of peace and proletarian solidarity; beaming over-fulfilled People's heroes over-fulfilled. Plans by thousands per cent; all the flags and banners and ritual.

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Letter from Rome

Stravinsky time

This is obviously going to be a musician alone on the large stage of the Teatro Olimpico, surrounded by music stands, empty chairs, the harp, the piano—the inanimate objects of music-making. It is, perhaps, the last of his piano compositions, played by his son Soulima, and the Perugia Sagra Umbra included *Threni* in its opening evening. The Rome Opera is planning a revival of its prestigious *Oedipus Rex* production (sets by Giacomo Manzoni) for the first time in Italy, in 1968. Then there was the *Ebony Concerto*—with Anthony Page as the soloist—followed by *Raymond* (a Stravinsky homage, with the *Symphony of Psalms* and the *Renard*).

A couple of seasons ago, the first time the real Filarmónica staged *Renard* in an opening was the first concert bandstand production designed by the Accademia Filare by Eugene Berman. It was a triumph, the capital's first Stravinsky concert reading was, in the past, welcomed Stravinsky clear of the performers' usual mimes of many of his later enjoyable (superior, if memory serves, to the staged, Italian Ode of those works, for version). Langridge was joined by the tenor Neil Jenkins, in the *Dylan Thomas*, which the centenary of the poet's birth (who has performed this piece, appropriately, was *Elegy* for J.F.K. also) and bass chosen to open the Filarmónica's Joseph Rouleau evening. When all these Stravinsky concerts were announced at the end of the summer, a few Italian critics privately expressed a concern that this sudden glut of music, embodied by Mr. Langridge's clear and telling enunciation of the Thomas text. This downward re-evaluation. Nothing followed by the *Elegy* for the kind of kind occurred at the violin solo (1944), in a version for Filarmónica. If anything, some pieces that were previously considered "minor" like the 1944 *Violin Concerto* and the 1944 *Violin Concerto* were unexpectedly in-was something specially fitting, worth up-grading about this piece: this single

Before the schizophrenic girl jokes from headquarters. Drifts down to cutting the jugular vein about Jesus believing in the music, and a bleak inter-spattered security guard in this, a talk about the skinheads meet her, to the King's Head, there is when the skinheads meet her, a little more than one might and she falls for the one in drag, in the most convincing of the play. None of the characters is very convincing, the sort of sweet innocent who seemed to go out of Westerns with Ford.

The Venus, Kentish Town is showing the version of *A Midsummer Night's Dream* made 12 years ago by the great Czech puppet-master Jiri Trnka. After all the trouble it still looks like a mistake to adapt a play directly to the screen. The film's spoken lines and human voices never suit them. The proper method would surely have been to create the play as a visual, balletic spectacle.

The Festival also includes personal and individual works like Jacques Demy's pretty *Peau d'Âne*, Bresson's latest encounter with Dostoevsky, *Quatre Nuits*, and the most complete and vivid portrait of Stalinism we have seen, with its juxtapositions of the historic prosecutors and stammering victims of the show trials; glowing hymns in praise of peace and proletarian solidarity; beaming over-fulfilled People's heroes over-fulfilled. Plans by thousands per cent; all the flags and banners and ritual.

Other directors employ parables to treat related concepts. From Brazil, Nelson Pereira dos Santos's *How God Made Little Frenchman* is a comedy about a 16th-century Frenchman who becomes the friend and subsequently the enemy of a Brazilian Indian cannibal. *Punishment Park*, adopting the simulated "documentary" style developed by Peter Watkins in *Julien* and *The War Game*, supposes a future American round-up of subversives and is subjected to a murderous three-day endurance test.

I think it could be argued that Collo George, the Artistic Director, has opted for rather too low an intellectual level in his first production at this new house. *Punishment Park* consists of three parts, of which the first and last are for local children and the last an enjoyable musical ballad song that not only brings on the whole company but the City of Sheffield back as well.

The old Playhouse has had a children's theatre for nearly ten years. The quickness, confidence and imagination shown by the players in an improvised drama dealing, for reasons I need not go into, with an attack by hippopotami on a convention of cheese-manufacturers was a tribute to their work.

The middle of the sandwich is a performance by Ian McKellen and Edward Petherbridge of Chekhov's *Swan Song*. This is a sentimental one-act piece of fustian, an old comic actor's farewell to the stage. He has drunk too much in his benevolent night and gone to sleep in his dressing room; now, hung over and resentful, he resents his lost youth on the dark stage. He tries to recall it with bits of Boris Godunov, Lear, Hamlet, Othello—the speech from Boris, for some reason known only to Guy Sells, the translator, and David Williams, the director, spoken in Russian.

It doesn't amount to much more than a variety turn, the sort of thing Bransby Williams used to do at the Coliseum. The writing is crudely melodramatic, and Mr. McKellen is forced into a melodramatic style to cope with it. For all the work he has lavished on it with his funeral make-up, hollow voice and Victorian gestures, he seems to be consciously overplaying most of the time. This is not really his cup of tea.

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Connally blames Europe for group of 10 delay

BY OUR OWN CORRESPONDENT

PRESIDENT Nixon's Secretary of the Treasury, John Connally, told newsmen today he had postponed the "Group of Ten" Finance Ministers' Conference, scheduled for later this month, until early December because he thought it would prove useless while the European countries are unable to agree on a solution to the currency realignment problem.

While reporting on two days of discussions with Japanese cabinet members and political leaders, Mr. Connally denied that the delay in the "Group of Ten" meeting was caused by the need for Washington to formulate a full set of necessary demands.

Mr. Connally said he now sees the possibility of a settlement of world monetary problems by the end of the year, but emphasised that this is up to the European countries. He said that he

found the Japanese eager for an early settlement of some sort.

Mr. Connally, who is to leave for Washington on Saturday morning, told newsmen he has proposed that Finance Minister Mikio Mizuta, International Trade and Industry Minister Kakuei Tanaka and Foreign Minister Takeo Fukuda meet him in either Honolulu or Anchorage within the next six weeks for a couple of days. He said his proposal to use the occasion to settle a "long list" of economic and trade problems was "received favourably."

In his discussions with the Japanese Ministers, Mr. Connally said, he did not ask for a yen revaluation and did not mention any figure which the American Government might be likely to propose. He explained he had merely travelled to Tokyo to

explain the real economic position in the U.S. and the need for Japan to take steps to assist in improving the situation.

"We expect that the U.S. will run a trade deficit with Japan this year of at least \$2,000m," he told the pressmen. "This will be the largest deficit that I believe the U.S. has ever run with any nation in its long history in its trade. During the same year, when we are running this deficit, Japan has added to its foreign asset reserves by over \$9,000m, this year—to the point where they now have \$14,100m in foreign asset reserves."

Mr. Connally said that Washington is asking the help of the Japanese people and the Japanese Government. It can assume many forms, he said. "It can be in the form of revaluation of currency, in the lifting of restraints and restrictions and tariffs, it can be in the form of contributions to mutual security or it can be part of all of these."

TOKYO, Nov. 11.

Some progress on foreign aid, but future unclear

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Nov. 11.

THE STRUGGLE to preserve the American aid programme entered a new phase last night when the Senate authorised the expenditure of \$1,140m. on foreign economic assistance during the current fiscal year.

This represents the "humanitarian" package put together last week following the outright rejection of the Administration's economic and military appropriations. A second military aid package worth \$1,185m. has still to be voted on by the Senate.

The economic package, together with the military appropriation if it is approved—now goes to the House of Representatives. If it is amended there, a joint committee of the two houses will try to produce a compromise Bill that must then be approved by the whole Congress.

The overall outlook for the aid programme is thus still unclear. And the picture is made only more uncertain by the dispute between the two houses over a

continuing resolution that would enable the Administration to maintain last year's aid expenditures up until the Congressional adjournment.

While the Administration with support in the House of Representatives is anxious to obtain this authorisation, the Senate aid critics feel that it would undermine their efforts to secure a root and branch reform of the American foreign aid programme.

Although some Senators are disillusioned with economic or humanitarian aid, they have still pitched their authorisations within \$340m. of the President's original request. The main target for their anger is military aid, particularly to South East Asia, which they see as an underhand means of prolonging the American involvement in that area. Their proposed authorisations under this heading are \$800m. below the White House recommendation.

U.S. to enrich West German uranium

By David Fishlock, Science Editor

THE U.S. is to enrich more West German uranium, to a value of about \$85m. under the offset agreement of July 1969. A contract between Allied Chemical Corporation and a German consortium will deliver enriched uranium hexafluoride for use in German power stations during the period 1973-81.

The first deliveries of enrichment under the U.S.-German offset agreement reached Germany in May this year.

The new agreement was signed on the German side by Uraniumgesellschaft and Uraniumerzbergbau in the name of the consortium entrusted by the Ministry for Science with the preparation of a conversion treaty and an enrichment treaty within the off-set agreement. The consortium includes Nukem, the nuclear fuel company, which acted on its behalf during the negotiation of the enrichment agreement.

Chile-Citibank deal near

BY NICHOLAS COLCHESTER

NEW YORK, Nov. 11.

FIRST NATIONAL City Bank appeared today to have reached tentative agreement over the sale of its Chilean operation to the Chilean Government. The major New York bank, which operates nine branches in Chile and is the largest foreign bank in the country, hinted today that it had signed a letter of intent and that it was hoped that the Chilean Government would sign

the final papers on November 26. In the light of the experience that U.S. companies have had recently with their Chilean operations, a certain amount of uncertainty is bound to surround the Citibank deal until the consideration for the purchase has been actually delivered.

The bank's 55-year old Chilean operation's book value is said to be \$3.5m.

CHINA DELEGATES TO UN ARRIVE

NEW YORK, Nov. 11.

DEPUTY FOREIGN MINISTER Chiao Kuan-hua and the first of Chinese delegates to the U.N. General Assembly arrived in New York today.

Diplomats from Albania, Romania, Cuba, Somalia and the Southern Yemen surged on to the tarmac as the Air France Boeing 707 touched down.

Reuter

HAWAII

A small economic hangover

BY ALAN CHALKLEY IN HONOLULU

HONOLULU, where the International Air Transport Association holds another of its embattled meetings this month has become, in a few short years, a Manhattan-by-the-Sea. The visitor who lands on the sandspit airport next to Pearl Harbour and rides the \$6 taxicab-fare along the coast to Waikiki, hits the first high-rise apartment blocks and hotels at Ala Moana, just past the largest shopping centre in the world (\$170m. yearly sales, 7,500 parking spaces).

From that point, for three miles, the multi-storey blocks stand in almost unbroken lines up to three blocks deep, until they run hard up against the unyielding slaps of Diamond Head, an extinct crater of surpassing dignity and beauty.

The bulk of this giant's causeway of rement and steel has been erected in the past 10 years, during which construction for the tourist industry reached more and more dizzying figures (\$275m. in 1969, \$784m. in 1970). The famous Waikiki beach, inspiration for many an isopid lyric, is now blemished in for most of its length; departed is the lagoon atmosphere that those lyrics once portrayed. With two revolving restaurants atop the blocks and with the car-parks squeezing out the palm trees, Waikiki is a gigantic cash-register resort.

But 1970 was the peak year. Construction has fallen off as this year has progressed; the first half-year of 1971 mustered only \$350m. in completions and new authorisations have dropped off steeply—new hotel construction is almost down to nil and barely 1,450 apartment units were planned in the first half-year (against over 3,300 in the peak period of the first half-year of 1970).

A dozen apartment blocks stand against the skyline almost empty; hard-sell advertisements in the local and mainland Press offer these places at soft-loan and long-term rates.

Hotel occupancy in Hawaii has been falling since 1967, when it peaked at 90 per cent. By 1970, the State's hotel rooms were being occupied only 75 per cent of the time and in some of the earlier months of this

year the figure dropped to a dangerous 50 per cent. The reason is clear—the hotel construction boom, which lifted the availability of rooms from 23,000 to 30,000 in the past three years, had run well ahead of arrivals.

The mainstay of the Hawaiian tourist trade has been the Californian for many years but now has come a sudden and rapidly accelerating influx of Japanese visitors.

Hawaii is looking more towards Asia for its sources of new visitors and there is a small, but growing, arrivals list from Hong Kong, Taiwan, and the Philippines.

Massive "leisure complexes" of hotels, golf-courses, picnic areas and restaurants are pushing into the headlands and up into the valleys of Kauai and the "Big Island" of Hawaii. And one of the coming growth industries, the death industry, is visible in the new "Memorial Parks" carved and shaped out of good grassland. There, the retired businessmen from the mainland can be laid to rest to the strains of "Aloha-oe" and a chorus or two of "Sweet Leilani".

All things considered, there is still a strong momentum of economic growth and development in the Hawaiian economy, if some people view the advance of the concrete mixers with ecological alarm. In the past 10 years, average real per capita personal income in the State has risen 7 per cent a year, which is far better than the U.S. average, and prices have risen by an average 3 per cent annually. Real personal average income has doubled in 10 years.

The significant falling off in acreage will be economic as sugar land. Agricultural diversification is taking place—in which new town planning and zoning rules were scheduled to come into effect, so there was a rush to start on new projects under the old (softer) conditions. Thus a building "bulge" was created and developers will have known all along that capacity was being grossly over-expanded. The backlog will perhaps take only a couple of years to fill.

Much of the cause of the economic hesitancy in the State's economy also lies in the severe effect of the dock strikes on the Pacific and only relatively dependent on imports for most of its food, its construction materials and practically all its sophisticated manufactures. Thus the dock strikes soon squeezed the Hawaiian economy; by the seventh week of the West Coast stoppage, Honolulu had run right out of table-salt and toilet-paper, for instance; steel and timber became very short; shops selling imported small wares and exotic foods and small agencies in many lines folded up.

Pineapples

Tourism accounts for about a quarter of Hawaii's total income from overseas and is by far the largest earner of "foreign exchange". The range of exports is very small—sugar and pineapples, which were among the earliest plantation industries to be established in the archipelago, account for the greater proportion of export value. The mainland can be laid to rest to the strains of "Aloha-oe" and a chorus or two of "Sweet Leilani".

Corporations

The sugar exporters claim to have lost \$8m. in revenue from the West Coast strike; warehouses in the Honolulu dock area were bursting with cases of pineapple. Despite pleas to Washington and to the unions by the Hawaiian political leaders, the dockers kept the trade tourniquet tightly bound and Hawaii experienced one of the disadvantages of being the off-shore and distant State of the Union.

C. Brewer and Co., Hawaii's fifth largest corporation, and Castle and Cooke, the second largest, are the leading sugar producers, along with a conglomerate of other interests, and both companies recently reported lower income for the first half of 1971. Even the big developers, who benefited from extremely profitable years in the recent past, are running into "gearing trouble"—a dead-weight of fixed-debt payments that have overtaken net revenues.

But Hawaii retains her natural advantages: sun, sand and surf galore, an experienced entertainment industry, good communications midway between America and Asia and a colourful amalgam of racial stocks that gives variety to the food, the faces and the culture, even if the latter is somewhat commercialised. The hangover from the dock-strike squeeze are only temporary setbacks.

Bloody Peronist clashes

BUENOS AIRES, Nov. 11.

FIVE supporters of exiled Argentine Dictator Juan Peron were shot and wounded here today in a clash between rival Peronist groups, police said. One of them was taken to hospital, apparently in serious condition, and police detained at least 23 people after dispersing the battling groups with tear-gas, eye-witnesses said.

The violence began when a crowd tried to eject 50 women who have been occupying the movement's headquarters here since Monday, demanding the dismissal of the leader of the women's branch, Senora Juana Larrauri.

Peronism is currently going through an internal crisis sparked by the resignation last week of Peron's chief representative in Argentina, Senor Jorge Paladino.

Reuter

United recruits again

BY JUREK MARTIN

NEW YORK, Nov. 11.

UNITED AIRLINES, the largest domestic carrier, announced today that it was recalling 100 stewardesses laid off last December and that it was recruiting another 550. This simple piece of news is being taken quite seriously here as a barometer of the fortunes of the U.S. airline industry are due to take a decided turn for the better in 1972.

It would appear to be the first substantial recruiting programme undertaken by any airline since the industry fell into its marked slump two years ago. United, for example, cut back on its employment by something like 10 per cent earlier this year and had not been replacing that part of its work force lost through natural attrition. The 550 extra stewardesses about to be hired will fill the jobs of those leaving the airline. United's training school for stewardesses has been closed since December last year.

Life insurance is better value when you're young!

How Legal & General's 'Progressive Man's' Policy prepares you for the 5 stages of a successful career



1 You are young and healthy
You are young and healthy and now's the time to start life insurance. Because the younger you are, the lower your premiums. But get an insurance policy that will travel with you throughout your life, like Legal & General's 'Progressive Man's' Policy. You could start with £10,000 cover at a cost of less than £3 a month.



2 You get a mortgage
When you buy your house, you can use your 'Progressive Man's' Policy to protect your mortgage, so that it will be paid off in full if you die. Or you may be able to link the policy directly with the loan, so that you get tax-relief on all your repayments. This can save you a lot of money in the long run.



3 You've got a family
With children, you'll want more protection. So add Family Income Benefit to your 'Progressive Man's' Policy. This gives your family an income, plus the lump sum already guaranteed, should you die. For as little as £2-50 a month on your premium, you could provide for an extra £1,000 p.a. tax-free.



4 Your income rises
As your income rises, so does your standard of living—and this means still more financial commitments. By adding Permanent Health Insurance to your policy, you can insure your income, and protect your whole family from any illness that might stop you working.



5 Money to retire
By your late 30's, you'll be earning good money—and this is the time to start thinking ahead to your retirement. Add a With-Profits Endowment contract to your policy, and enjoy the satisfactory prospect, not only of a sizeable cash sum when you retire, but also of paying less tax in the meantime!

best time to start life insurance is **now**—when you're young and fit. Not only will your premiums start lower, they'll *stay* lower. And of all the different kinds of insurance you can have, none could be more useful than Legal & General's 'Progressive Man's' Policy.

As your responsibilities change and grow, so this policy grows with you. It unites under one monthly payment a different kinds of life assurance you'll ever need.

It can bring useful profits in the process. Legal & General is one of the largest and most powerful investors in the land. Every year, profits are shared out—over £16m. distributed to policyholders in bonuses for last year.

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I am interested in an insurance policy that can keep pace with my ideas and plans. Please let me have a copy of the 'Progressive Man's' Booklet. I understand I will be under no obligation.

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Legal & General

European
newsSweden
lowers
bank rate

Our Own Correspondent

STOCKHOLM, Nov. 11. The Swedish Bank Rate is to be cut by half a per cent for the fourth consecutive time this year, from 5 to 4.75 per cent, effective from tomorrow. The move is the latest in a series of cuts in the Central Bank's discount rate, the first of which was in April, May and September. The three previous cuts were in April, May and September. The move is the latest in a series of cuts in the Central Bank's discount rate, the first of which was in April, May and September. The three previous cuts were in April, May and September.

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IN AIR LINES
L WITH MALTA
SIBLE

Own Correspondent

VALETTA, Nov. 11. Air Lines have been to participate in the of a Maltese national take over the running of the Malta Airlines and jointly operate exclusive routes to London, Rome, Paris, Frankfurt, and other European cities.

Swedish reservations on
Common Market offer

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

STOCKHOLM, Nov. 11.

SWEDEN will reject Community proposals on paper tariffs when negotiations open over the country's future relationship with the enlarged 10-nation Common Market, and will seek to negotiate other elements of the Six's offer. This was made quite clear here today by Mr. Olof Palme, the Prime Minister.

Mr. Palme, who had spent most of the day in talks with Signor Franco Maria Malfatti, President of the Brussels Commission, has not yet formally received the Six's proposals as their draft negotiating mandate has still to be finalised. But although negotiations with Sweden are not expected here to start before next month, the Six's general intentions are well enough known in Stockholm.

Talking to journalists, Mr. Palme said that Finland too could never accept the Six's proposal, under which Britain, Denmark and Norway would have to progressively raise tariffs from zero to 5 per cent on paper from the EFTA non-candidates after joining the Community.

Members of the Government here accept that full membership is totally impossible politically for the time being. But they do not rule out the possibility that

the situation could change radically in the coming years.

Meanwhile, Sweden will try to set up a structure for discussing the broadening of the free trade agreement under its so-called "evolutionary clause." Sweden would also like co-ordination with the enlarged Community in areas such as economic and industrial policy, technology and environmental issues.

The Swedish Government otherwise seems to regard the Community plan, based on industrial free trade, as reasonably acceptable. The Swedes are now resigned to settling for a free trade solution, while keeping open the door for widening the arrangements at a later date.

Sweden had originally asked for much stronger links with the Community.

Mr. Palme also said that Community proposals for safeguard clauses in the projected agreement and the list of sensitive industrial products drawn up by the Community were unsatisfactory. Sweden would be prepared to negotiate on agricultural products, he added, but only if concessions were made on a reciprocal basis.

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Reshuffle in
Poland to
help reform

By A. H. Hermann

THE appointment of Mr. Arthur Starowicz, until June Secretary of the Central Committee of the Polish Communist Party, to succeed Professor Marian Dobrosielski as Polish Ambassador to London is one of several transfers apparently designed to remove from Polish political life people who made their careers under Mr. Wladyslaw Gomułka.

Similar appointments send as Ambassador to Washington Professor Dobrosielski, who will leave London next Tuesday, and the acting Chairman of the Planning Commission, and Mr. Edward Zawada, former Minister of the Chemical Industry, as Commercial Counsellor to Rome.

Professor Dobrosielski, who will leave London next Tuesday, and the acting Chairman of the Planning Commission, and Mr. Edward Zawada, former Minister of the Chemical Industry, as Commercial Counsellor to Rome.

Public discussion in Poland appears to be deeply concerned with the need to improve public administration.

STATE
INDUSTRIES
EARN MORE

By Our Own Correspondent

STOCKHOLM, Nov. 11. The total turnover of Swedish state-owned industries and utilities rose by 9 per cent to Kr.19,800m. for the fiscal year 1970-71. The Ministry of Industry has stated. Profit before appropriations and taxes is Kr.1,400m. and net profit at Kr.800m. Owing to changes in book-keeping and the acquisition of new companies, a direct comparison of earnings and profits with previous years cannot be made, it is stated.

ITALIAN POLITICS

Time to elect the President

BY PETER TUMIATI, ROME CORRESPONDENT

FOR THE LAST couple of years the yardstick by which every political move and decision of any significance (and many insignificant ones as well) has been measured and then adopted or rejected by at least half a dozen of Italy's key politicians has been its possible influence on the outcome of the Presidential election due towards the end of 1971. For several of the self-nominated candidates to succeed President Giuseppe Saragat, the electoral campaign has been the longest and most exhausting they have ever faced.

They have endeavoured to model their public and even private lives according to what their image their consultants have advised them to attempt to project. Politicians who in the past have been well known for their dislike of travel have hardly slept in the same bed for two nights running during the last 12 months. No capital in the world has been too small or too insignificant for a visit.

Linen suit

Their travel-weary professional companions (Press officers, secretaries and journalists) panting in Rome between hasty changes from fur-lined coats for the most northerly capitals to linen suits for the tropical ones, have explained (in private) the reasons for the sudden travel-mania developed by their Ministers. They are mainly two.

The first one is that a visit to Reykjavik or to Manila ensures a newspaper headline. The second one is that absence from Rome has enabled the politician concerned to avoid taking sides in the daily struggle within his party.

Other candidates have developed a sudden love for nature. As the public has awoken open to the problems of ecology they have become the political leaders of second largest group (the all drives to improve environmental conditions and have sponsored the establishment of com-

mittees or the summoning of conferences for the purpose.

Italy as a whole has suffered more than a little from some 34 months of electioneering by its top politicians. The general public's scorn for politics and politicians has been strengthened and the gulf between the people and the politicians has been widened even further. Decisions which should have been taken long ago have been postponed because of their possibly unfavourable repercussions on the chances of some candidate to the Quirinal Palace. Or, worse still, some of those taken were the result of electoral considerations only. Governments have had to resign and moribund ones have been kept alive artificially for the same reason.

At long last, now the finishing line is in sight. On Thursday, December 9, the 330 members of the Chamber of Deputies, the 322 members of the Senate and 58 specially nominated representatives of the 20 regional authorities will meet in the Chamber of Deputies to elect a new President of the Republic. The result is quite unpredictable. Last time, seven years ago, when Signor Saragat was elected, the voting went on for days before a majority emerged. It was rather like a conclave, except that the black smoke indicating that the cardinals had not agreed was replaced by the increasingly hoarse voice of the President of the Chamber as he read out the name on each ballot paper.

The two candidates who are by far the strongest ones (Signor Aldo Moro, the Foreign Minister, and Senator Amintore Fanfani, President of the Senate) both belong to the Christian Democrat Party and are likely to split the vote of the CD electors. If this occurs, the decisive vote will be to those of the Communist Party.

There are also a number of dark horses offering possible compromise solutions should there be a deadlock. They include Signor Mariano Rumor, former Prime of the Republic which lasts for Ministers, Signor Ugo La Malfa, seven years inevitably becomes the Secretary of the Republican a political pivot.

Party, and Signor Sandro Pertini, the Socialist President of the Chamber.

Since 1945 the Christian Democrats, although they are the largest party, have only succeeded in securing the election of one quasi-official candidate of their own. He was Signor Antonio Segni, who was struck by cerebral thrombosis in 1964, only a couple of years after he had taken office, and had to resign. There was only one other Christian Democrat among Italy's five post-war Presidents. But Signor Giovanni Gronchi was not his party's official candidate and was elected against its will rather than with its support.

Decisive vote

The Christian Democrats could easily secure the election of a candidate of their own if they were only able to agree on one and then give him all their votes. But so far their votes have always been split between two or three rival candidates, and the decisive vote has always ended up with the Communists.

Italy is a parliamentary republic like France and Germany. It is President of the Republic should therefore be a job with more honours than power and should not be coveted by the really top politicians, as it was not in France before General de Gaulle took over in 1958. In Italy, it has become the No. 1 post partly because of the forceful personalities of all the politicians who have held it in the last quarter of a century and partly because of the weakness of all the governments which have been in office at least since the late Signor Alcide de Gasperi withdrew from the political stage in 1953. Furthermore, in a country like Italy where the survival of a government has come to be measured in months, a post such as that of President of the Republic which lasts for Ministers, Signor Ugo La Malfa, seven years inevitably becomes the Secretary of the Republican a political pivot.

Spain's economic plan

BY OUR OWN CORRESPONDENT

MADRID, Nov. 11.

A TOTAL of Pesetas 29,119.9m. (about £1,470m.) will be invested in Spain in the next four years under the nation's Third Development Plan 1973-74. Of this amount, about two-thirds are private capital investments and about £1,050m. foreign capital investment in private and public Spanish enterprises.

The rest—about £3,250m.—are public investments financed out of the State budget and with foreign loans and local capital issues. The figures were revealed

Hapag-Lloyd economies

BY CHRISTOPHER LORENZ

FRANKFURT, Nov. 11.

THE CHANGING structure of Hapag-Lloyd insists that this is a the shipping industry, the cost once-for-all move and that at the explosion and the international monetary situation have forced sold next year.

West Germany's largest shipping line, Hapag-Lloyd, to introduce drastic economy measures.

Following the sale of 28 freighters in the past few months, the line announced today that it is dismissing 104 officers, 40 of them trainees, service.

See British
Leyland—
see
everything
in transportNew Leyland Bison
rugged 6 x 4

The new Leyland Bison 6 x 4 model, planned for 24 tons GVW, is great news for 6 wheeler operators. It's the latest in the range of trucks powered by the Leyland 500 fixed head engine giving 170 bhp gross (161 bhp net installed) at 2600 rev/min under BS AU141a 1971 conditions. The designers, bearing in mind the needs of operators, have provided a choice of three wheelbases, with four chassis lengths including two for upper application. Reliability is a paramount requirement and this is met by the specification of well proven components, exemplified by the four spring non-reactive bogie. Among its many advantages are better road adhesion giving more efficient traction and the virtual elimination of axle hop when braking. A long-life side bonus is the better stress pattern exercised on the frame as a result of fitting this bogie and the practical advantages of a lockable third differential for slip work. Examination of the chassis reveals many up-to-date features from the finger tip operated spring parking brake to the six-speed gearbox with overdrive top. The frame itself is of rolled high tensile steel, 12in deep and fitted for high stress application.

Drivers will enjoy driving the new Bison with its power steering, the flexibility of the six-speed gearbox with overdrive top, the smooth, powerful Leyland 500 engine and the car-like comfort of the reliable Ergomatic cab. This new Bison represents yet another step forward in the production of transport designed for modern operating conditions with future requirements built in to keep ahead in the years to come.

New Guy 'Big J4' '500'
powered for 26 ton
flexibility.

This great new medium capacity tractor in the Big J range provides a proven vehicle with the increased power/weight ratio to meet proposed legislation for 26 ton GVW operation. The powerful Leyland 500 fixed head engine provides a gross power output of 170 bhp, 161 bhp net, installed at 2600 rev/min (BS AU141a 1971 conditions), and a high standard of economy. The drive train is through a 15in clutch and a 10 speed transmission produced by a five-speed gearbox and two-speed spiral bevel drive axle.

The immensely strong chassis incorporates the proven features of alligator jaw frame

crossmembers within an all bolted parallel frame of pressed channel section steel. The latest Big J developments are included, such as a dual load sensing device connected to both the service and secondary spring brake systems. This important safety feature is another part of the assurance provided by the full air cam operated brakes with full self spring actuated secondary and parking brake. An additional advantage is the hazard warning flashers connected to the direction indicator circuit. The Big J driver, as usual has the comfort and convenience of the superb all steel cab, with easy entrance provided by steps ahead of the front wheels.

Here is a medium capacity tractor unit which will meet and match any job on the road, and which has the in-built strength and performance to stay ahead in the future.

New AEC Marshal.
The complete 24 ton
6 wheeler.

The Marshal 27GM6RT 6 x 4 model is rated at 24 ton GVW and 178 7/16in wheelbase models which have body spans of 23ft 2in and 23ft 2in and 26ft 1in respectively. These models are powered by the proven AV505 six cylinder direct injection engine with an installed power output of 145 bhp (gross 151 bhp) at 2400 rev/min (BS AU141a 1971 conditions) transmitting its power through a 19 1/2in diameter hydrostatic clutch to a six-speed overdrive gearbox.

The four spring double drive bogie uses single reduction axles with a lockable inter-axle differential for site work or difficult working conditions.

The 15ft 10in wheelbase model has a channel section chassis frame 12in x 3in x 3/16in x 1/4in with 1/4in thick flitch, while the 17ft 7/16in model uses a similar section frame 1/4in thick but having no flitch. Box section crossmembers of improved design are used and the bolted construction facilitates maintenance and repair.

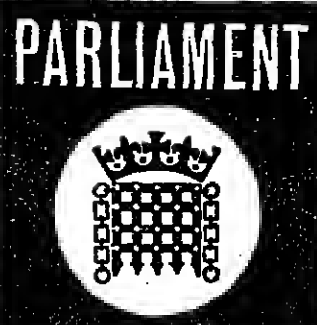
Power assisted steering with a combined ram/valve unit will be a popular feature with drivers, indeed the drivers' environment of the Ergomatic cab with torsion bar tilt control, provides comfort and convenience second to none.

British Leyland. A show on its own. These are just three of the new British Leyland vehicles. For goods or passengers the British Leyland Truck + Bus Division is setting a pace which is leaving the others behind, and there's plenty more to come.

A comprehensive range of vehicles is on display at the Scottish Motor Show, Kelvin Hall, Glasgow.

BRITISH
LEYLAND
Truck + Bus
Division

Backed by genuine British Leyland parts and service.



Labour 'not bound' to new local radio structure

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

Education 'not moving enough'

EDUCATION POLICY was still not moving fast enough to keep up with a rapidly changing society, Lady Phillips (Lab.) said during a debate on education in the Lords.

Lady Phillips called attention to the need for educational policies which paid regard to the requirements of social equality.

She said she was always mystified that an hotel, motorway or flyover could be built in her borough with great rapidity, while getting an extra sink in a school took masses of paper and numbers of phone calls before it was installed.

Secondary schools were having as many systems as we had education authorities. With this, and the selective system still remaining, there could not be true equality of opportunity.

Lord Belstead, Under-Secretary, Education and Science, said education was like a pyramid, with the broad base representing the primary population and the tapered summit further and higher education. When each new Secretary of State took over, it was natural that they should take the view that perhaps some parts of the pyramid had been over-strengthened and others had been dangerously neglected.

Vigorous thrust

The Government had decided to strengthen the base of the pyramid—primary schools. This was surely a policy of social equality and also one of equality of opportunity, he said.

He said that 18 months ago the Government thought that about 4,500 primary schools needed help, at an estimated cost of something under £180m. But later it was discovered that nearly 6,000 primary schools needed attention and the expenditure would be between £250m. and £260m.

The Secretary for Education would give further education a new and vigorous thrust by her decision to greatly increase the building programmes for polytechnics and other further education colleges.

The Government would try to strengthen the other parts of education by raising the school leaving age. The Government's policy was a policy for everyone, he said.

Heath avoids toolroom row

BY OUR PARLIAMENTARY CORRESPONDENT

DESPITE PRESSURE from Labour MPs the Prime Minister refused to be drawn into the controversy over the Coventry toolroom dispute in the Commons yesterday.

Mr. Maurice Edelman (Lab. Coventry North) called on him to repudiate the action of Rolls-Royce in "locking out" tool room workers and thus "precipitating a breakdown in the talks on the Coventry toolroom agreement."

Mr. Heath replied: "This is a complicated dispute over the toolroom agreement in which both sides have expressed their views and taken action. I do not propose to make a judgment on one side or the other."

Earlier Mr. Robert Carr, Secretary for Employment, said that there were 268 workers' organisations entered on the provisional register of unions in Coventry.

Mr. Russell Kerr (Lab. Feltam) asked how many of the "alleged" 268 unions remaining on the register were staff associations and similar bodies which were employer-financed, and frequently employer-financed.

Mr. Carr said: "If they are employer-dominated, the Act will ensure that they cannot stay on the register even if they want to do so."

Mr. Carr said that he expected the Industrial Relations Act to be fully operational, with two exceptions, by Easter. The exceptions were the provisions which dealt with the disclosure of information and those which enabled industrial tribunals to deal with claims for damages for breach of contract.

Mr. William Price (Lab., Rugby) claimed that Mr. Carr was the only man in 40 years to bring widespread and long-term unemployment to the West Midlands.

Mr. Carr told him: "I regard the present level of unemployment as unacceptable. The Government has already taken very substantial measures to stimulate output throughout the economy, and I am confident that the West Midlands is well equipped to take advantage of expansion that should result from these measures."

Mr. Dudley Smith, Under-Secretary, Employment, said the number of people aged 55 and over who were wholly out of work on July 12—latest date for which the information was available—was 188,464.

Mr. Ray Carr (Lab., Northfield) said the figure represented one in four of all the unemployed.

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Authority of up to £2m. with which to launch the new services. These sums were repayable. The Authority would, following its practice in television, expect the larger stations to carry the lion's share of the cost of the common service.

The Government was looking at the possibility of an alternative to the levy system, he said. But he thought it reasonable that if commercial radio earned large profits, similar to those of the commercial television earned in the 1960s, some extra demand could be made from it.

It is not the Government's intention to set any target contributions for the first two years, and I do not think anybody would expect this clause in the Bill to be activated before commercial radio has established itself.

Some reason The Government believed it right to give local newspapers the opportunity to participate in local radio.

"These local newspapers make a unique contribution to the democratic process at local level," he said. "Since a competitor is being introduced at local level, this could affect their revenue. I have no doubt at all that the local Press should be able to contribute to the health and vigour of local radio."

No newspaper has a prescriptive right to run a station, and the IBA will choose the best programme contractor.

A newspaper will have the right to take up a share in the equity of a station if its circulation represents a substantial proportion of the population.

If the Authority decides that the circulation is not high enough, the paper can appeal on the grounds that its revenue is going to be affected.

If the Authority considers that for some reason, it is against the public interest for a newspaper to have a share in it, it will have a duty to consult the Minister. In the final analysis, the Authority must decide what constitutes an acceptable programme contractor.

The new service would not have an easy role. It will come up against considerable competition from BBC's Radio 1 and Radio 2, from the local BBC stations, which have won some faithful adherents, and from the

The London news station would earn part of its revenue from the advertising it attracted from its own London programmes and part from the service it provided to other stations.

Advances could be made to the register even if they want to do so.

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Rippon still hopes to sign treaty before Christmas

BY JOHN HUNT

THERE WERE angry Opposition protests in the Commons when Mr. Geoffrey Rippon, the Minister responsible for Common Market negotiations, announced that Britain still hopes to sign the Treaty of Accession to the Market in the week before Christmas despite the failure to agree on fishery limits.

Mr. Rippon recalled that at the EEC meeting of November 8 the Community suggested six mile limits for five years, a further five year period when this could be continued with the approval of the enlarged Community.

He asked for a promise that the Government would not accede to the Common Market until the needs of the other applicants had been satisfactorily met.

If they did so they would be changing the whole political balance inside the Community on the basis of which the Government asked the House to approve its negotiations," he added.

Mr. Rippon told him that everybody understood that the fisheries policy was still a matter for negotiation. Progress had been made but there was still a great deal to be settled. Britain was seeking a new regulation for which maintained a fair balance of mutual advantage between new and old members.

Mr. Rippon said that he had told the Community that there had to be recognition of the needs of areas where fisheries were important to the stability and development of particular regions.

On the subject of marketing arrangements for fish, he was more hopeful. He welcomed the Community's readiness to consider variations in withdrawal prices, improved arrangements for producer organisations and provision for the marketing of frozen fish.

A further special EEC Ministerial meeting would be held on November 29 and in the meantime the Commission was consulting officials from the candidate countries and would report further.

"Finally, we reviewed the progress made in drafting the Treaty of Accession to the European Communities and agreed that we should aim to sign the treaty in the week before Christmas," he declared.

Mr. Denis Healey, "shadow" Foreign Secretary, immediately challenged Mr. Rippon and said that his statement would reinforce the misgivings of many

MPs that the House should have approved entry into the EEC Norway and other countries.

Mr. Healey demanded an assurance that Britain would not withdraw from EFTA before a satisfactory settlement had been reached on these issues. If no agreement was reached on fisheries then new members should be allowed to maintain the status quo, he said.

Fair balance He asked for a promise that the Government would not accede to the Common Market until the needs of the other applicants had been satisfactorily met.

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Take a closer look at the extra cash the Special Development Areas have to offer.

Operational Grants and five-year rent-free Advance Factories are just two of the many attractive financial benefits for new incoming industry in the Special Development Areas.

These special areas—all within the Development Areas—consist of parts of Scotland, of the North of England and of Wales.

They offer new incoming industry higher financial incentives than the rest of the Development Areas.

In addition to these two extra cash benefits there are other financial incentives. These also apply to companies moving to or expanding in the Development Areas.

Building Grants Grants towards the building of new factories can be as high as 45% of the building costs.

Tax Allowances These include a special first-year allowance of 100% of expenditure on new immobile machinery and plant and 44% of the construction costs of industrial buildings (after deducting any grant).

Loans General capital expenditure can qualify for loans at moderate rates of interest.

Removal Grants Substantial contributions are available to meet some of a firm's major costs of moving into an Area.

Training Grants These amount to £10 per week for each man (£7 per week for each woman) during the period of their basic training for additional jobs provided in the Area. Various forms of direct help with training are also available.

In the INTERMEDIATE AREAS a more limited range of benefits is available.

Operational Grants

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There are other important benefits. For example, in the Special Development Areas and Development Areas Regional Employment Premiums are payable to manufacturing firms at £1.50 per week for each male adult employee (75p for each female) until September 1974. And in all the Areas there is plenty of room for future expansion with some of the most attractive countryside on your doorstep.

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We aim to provide industrialists with the partial help they need in finding the right location for a successful project. Filling in the coupon is the first step towards getting all the facts. Do it now or telephone 01-222 7877, Ext. 3333.

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Name _____
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Company _____
Nature of Business _____
Address _____
Postal Code _____

The Areas for Expansion
Get the facts from the Department of Trade & Industry

Next week's business

COMMONS
MONDAY: Second reading, Housing Finance Bill.
TUESDAY: Second reading, Local Government Bill; motions on procedures.
WEDNESDAY: Local Government Bill, continued; Industrial Compensation Order; and the Legal Aid (Extension of Proceedings) Regulations.
THURSDAY: Opposition motion on education; White fish subsidy scheme.
FRIDAY: Second reading, Superannuation Bill; motions on the Representation of the

People Parliamentary Constituencies Order.
LORDS
TUESDAY: Agriculture (Miscellaneous Provisions) Bill; Field Monuments Bill, second reading; Parliamentary Constituencies Order 1977.
WEDNESDAY: Bishop of Blackburn—debate on clearing of acreation.
THURSDAY: Town and Country Planning (Amendment) Bill; Island of Rockall Bill; Summer-time Bill; Local Employment Bill; Road Traffic Bill, second reading.

apes to
Christ
Other
Overseas
News

No great cause for optimism for talks with U.K.—Smith

BY OUR OWN CORRESPONDENT

SALISBURY, Nov. 11.

WHILE "significant progress" has been made in the Anglo-Rhodesian talks to date, there is no great cause for optimism, Prime Minister Ian Smith warned Rhodesians to-night in an annual independence day broadcast. "Knowing, as I do, the magnitude of the problem, I remain no more optimistic than I was before. I hope I am proved wrong," he added.

The Rhodesian leader strenuously denied what he termed "fatuous" claims that Rhodesia wanted to settle because of a "sagging economy." In fact, he claimed that the growth rate in certain sectors was "embarrassingly high," though he was prepared to concede that the foreign exchange position was aggravated by the need to maintain the economic infrastructure.

Mr. Smith firmly reiterated that there was no question of Rhodesia compromising on matters of principle. However, his Government was satisfied that it was in the country's best interest to settle now that Rhodesia was in a stronger negotiating position than ever before.

He appeared to go out of his way to dampen the widespread expectation in Salisbury that there was no question of forthcoming visits by British Foreign Secretary Sir Alec Douglas-Home being a mere formality, he said. "We will now be dealing with the most vexed and difficult issues, which up to the present have been avoided."

Mr. Smith's firm comments about no compromise on principle and the strength of the country's bargaining position are underlined by two current developments. On the one hand there is the U.S. Congressional vote to allow Rhodesian chrome imports—thereby heralding in many minds a rapid erosion of economic sanctions. On the other hand, there is the report in a right-wing newspaper to-night that the Roman Catholic Church in Rhodesia is planning what is termed "a full-scale campaign" to promote multi-racialism in defiance of the Smith Government.

The gathering row between Church and State forms an ominous backdrop to the talks next week. After all, Sir Alec has already stated that he is setting aside two days to consult African and church opinion and there can be little doubt that he will hear from the churches and educated black opinion.

It is believed here that the Rhodesian Government will allow British Ministers to visit to meet the banned Nationalist leaders who are in detention, but in some African circles there is unease on this point because they fear that Mr. Joshua Nkomo, for instance, who has been in detention for more than seven years now is hopelessly out of touch.

Our Nairobi correspondent adds: Kenya has rejected in advance any settlement between Britain and Rhodesia on the basis of the five principles. In a statement issued to-day on the eve of Sir Alec Douglas-Home's visit to Salisbury, Kenya Foreign Minister Dr. Njoroge Mungai said that the five principles, on the basis of which the British Government was negotiating fell short of Kenya's requirements.

Sadat calls for Israeli answer

CAIRO, Nov. 11.

IDENT Anwar Sadat threatened to-night to break off contact with the Middle East peace talks unless Israel pledged to withdraw completely from the Sinai Peninsula. In a speech broadcast about the Arab world, the Egyptian leader said without a re answer to UN questions about the readiness to withdraw, he could see no scope for discussions.

President Sadat was addressing the opening of the new People's Council (Parliament) which has been billed "War Assembly."

He told the 880-man Parliament that the UN Security Council Resolution (of 22, 1967) is still valid, Egyptian initiative (for a ceasefire) is still in the way. In any other way, he said, there is no scope for negotiations. He said that the Egyptian initiative is still in the way. In any other way, he said, there is no scope for negotiations.

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Dayan to visit U.S.—may see Laird

BY OUR OWN CORRESPONDENT

ISRAELI Defence Minister Moshe Dayan will go to the U.S. within a fortnight. While the ostensible purpose of his visit is a series of speeches on behalf of the United Jewish Appeal, he is also expected to meet a number of top officials in Washington, most probably Defence Secretary Melvin Laird.

Dayan's trip to the U.S. is of particular significance at this juncture not only because of the continued suspension of American Phantom jet deliveries to Israel but because it was he who during his previous visit to the U.S. nearly a year ago first broached the idea of a separate agreement on the Suez Canal with a view to bringing about a disengagement of forces on this front.

Meanwhile the Israeli Ambassador to Washington, General Rabin, is due here within the next 24 hours. Again, while his visit is described as private, one of the main points will be a report to the Cabinet on his latest talk earlier this week with Assistant Secretary of State Sisco. These centred on the problem of Phantom supplies and on the framework for a new round of talks on a Suez Canal agreement, two points on which Israel is seeking what are here officially termed "clarifications" but might better be described as a change in the U.S. stance with-

out which little progress can be expected.

Guy de Jonquieres writes from Washington: A suggestion that Egypt should start clearing the Suez Canal before any interim agreement is reached on opening the waterway is being canvassed discreetly by Israeli representatives in Washington.

The Israeli Ambassador, Mr. Yitzhak Rabin, is understood to have put the idea tentatively to Assistant Secretary of State Joseph Sisco as one possible front on which progress might be made while the broader U.S. attempt to start Arab-Israeli negotiations on the Canal remains stalemated.

Although the State Department has not made any formal reply, the suggestion is being treated with some scepticism because it is doubted that it would be acceptable to Egypt, which is insisting on an Israeli troop withdrawal from the East Bank as a precondition for re-opening the Canal.

The Israeli appear to be as strongly opposed as ever to withdrawing any troops, on the grounds that they would weaken their defences. In this light, the suggestion—which was first aired by the Prime Minister, Mrs. Golda Meir—may be viewed as an attempt to deflect criticism that Israel is purposely dragging its feet over the U.S. initiative.

Australia makes general cut in official bond rates

BY OUR OWN CORRESPONDENT

CANBERRA, Nov. 11.

THE Australian Treasurer, Mr. Snedden, to-night announced the first general reduction in official bond rates for 10 years. The interest rates on ten-year Government bonds have been reduced by 0.5 per cent to 6.4 per cent, the 20-year rate is down by 0.3 per cent to 6.7 per cent and the yield on three months Treasury notes has been reduced from 5.365 per cent to 5.077 per cent. There was no suggestion of any change for the time being, in the maximum bank overdraft rate of 8.25 per cent.

Despite the depressed stock market, slower growth in consumer spending and rising unemployment, official statistics to-day showed continued solid growth in new capital expenditure from business and the securities industry which has been going through one of its most depressed periods in years.

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Iran acts to curb corruption

BY OUR OWN CORRESPONDENT

RABAT, Nov. 11.

A purge on corruption carried out among high ranking civil servants is the first sign that the Islamic Revolution has begun to take effect. The purge has been greeted gleefully by the man in the street, and also by the political parties, but with some reservations. The latter object notably that the fault lies not with the people but with the system. The parties claim that with the present rump parliament the regime can virtually do what it likes. More insistently than ever they are demanding constitutional reforms that would give the people more direct democratic control of State affairs.

It is widely believed that the King is contemplating substantial concessions to the opposition in order to bolster his authority because the July coup demonstrated that he cannot count on the traditional Army support while the corruption scandals have gravely discredited the so-called technocratic elite which has been in office for nearly a decade.

Among the signs are the free rein allowed the Press, Opposition papers comment on the scandals with such uninhibited gusto as would land all in court for libel if they were published in Europe or America. More significant is that the Government Press and TV ran photos this month of three top left-wing leaders of the socialist Union Nationale des Forces Populaires (UNFP) as they sat with the King in a mosque where they were invited to attend a religious vigil during the Ramadan fast.

Their presence at a royal function created almost as much speculation as the financial scandals, since 193 UNFP militants were tried for plotting to overthrow the monarchy this year. The trial was generally considered an attempt to crush the UNFP which until now has been treated as the most dangerous opposition party in the country.

What a residual U.S. force would do

In an important speech on Monday Mr. Nixon will announce his plans for a new stage of disengagement from Vietnam. SIMON HEAD, Saigon Correspondent, discusses what he may propose and what it will mean to the Vietnam conflict

IN SAIGON there is little doubt in anybody's mind about what the most important features of Mr. Nixon's November 15 speech will be: a speed-up in the withdrawal rate of American troops to about 20,000 per month so that all U.S. forces will be out of Vietnam by early summer; and the retention of a residual U.S. force in and around Vietnam consisting mostly of air power.

The elements

This confidence about Mr. Nixon's intentions is based only partly on hints from high American officials, although there have been plenty of those. More important, the basic facts of the war virtually require Mr. Nixon to act as predicted. First, the active American combat role has ended, so there is no point in keeping American units hanging around any longer than need be; second, the South Vietnamese army, by general agreement, cannot operate without a degree of mobility and air support which only the U.S. can provide. Therefore the need for a residual force.

It is also possible to be reasonably sure about what the elements of the residual force will be. By far the most important element will be the still massive air power required to bomb the Ho Chi Minh trail

and to provide close tactical support to the South Vietnamese (as well as the Laotian and Cambodian) armies; the 40-odd B 52 bombers operating out of Thailand, the nearly 200 combat aircraft stationed on the carriers of the 7th Fleet and an undisclosed but undoubtedly substantial number of fighter bombers based in Thailand.

In South Vietnam itself the U.S. will probably retain a small fighter-bomber force, possibly three squadrons whose main function will be to defend South Vietnam against sudden attacks from Hanoi's supersonic MIG 21s (the South Vietnamese have no comparable aircraft) and a force of about 500 helicopters, needed on a transitional basis until the South Vietnamese can build up a large enough helicopter force of their own. The remainder of the residual force will be made up of advisory and logistic units.

This powerful force notwithstanding, the South Vietnamese will still be deprived of a vast quantity of U.S. "assets" during the last phase of the withdrawal. They will be losing two and a-half U.S. divisions which, in spite of their inactivity, are still occupying key areas in the northern provinces and in the jungle areas north of Saigon, and they have lost, or will lose, 18 tactical fighter squadrons operating from within Vietnam, around 1,500 helicopters

and at least 12 battalions of heavy artillery.

Whether the South Vietnamese can really adapt to these changed circumstances will most probably become apparent next summer and autumn. There will be an uneasy period between June (when the last U.S. units are withdrawn) and the American election in November when the South Vietnamese will be standing on their own for the first time and when Hanoi might well launch a very heavy attack indeed designed both to exploit this moment of maximum vulnerability and to influence the U.S. election.

Key question

There are plenty of observers here who believe that this period could well prove disastrous for the South Vietnamese.

A typical pessimistic scenario runs like this. First the North Vietnamese carry out diversionary attacks in the northern and southern extremities of the country. This draws off the limited South Vietnamese reserves (made even more limited by their loss of helicopter mobility) and leaves the central and highland regions critically exposed. It would be here that the North Vietnamese would then launch their main effort cutting the roads, capturing district towns, the South Vietnamese army and the residual American air force

to deal with. And this in turn would mean that the local Viet Cong guerrillas, deprived of support from their regular forces, would continue to be at the mercy of pacification and counter insurgency campaigns.

This optimism influences Mr. Nixon in two ways. At a very general level it reinforces him in his conviction that the Vietnamisation is a feasible policy and that, therefore, the residual force should be kept in Vietnam either until Hanoi is willing to make genuine concessions to get it out, or until the South Vietnamese are ready to do without it. Secondly, at a more mundane level, it must strengthen his conviction that the war can be kept well under control during the election period and, therefore, that the retention of the residual force will not become a damaging issue in the campaign.

No big changes

The odds are then that Monday's speech will not herald any fundamental changes in American policy and that Mr. Nixon will keep on going much as he has said he will, refusing to set a date for total withdrawal, keeping the residual force in and around Vietnam through the election and beyond, and hoping Hanoi will soon tire of the struggle and soften its terms. What happens next depends on the residual American air force

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

TRANSPORT

Biggest diesel from Perkins

DEVELOPING more power and a higher power-to-weight ratio than any diesel engine so far built by the company, Perkins Engines' new V8.605 also has been designed to comply with smoke testing regulations in the U.S. and Britain. As stringent as any in the world are likely to be in the near future, these tests demand very low levels of emission and compliance with legislated standards over long periods—in the U.S. for runs of up to 1,000 hours.

Output of the new unit, on display for the first time to-day in Glasgow to coincide with the opening of the Scottish Motor Show, is 205 bhp and the rating is enough to power up to 32 tons gross at 6 bhp/ton, up to 24 tons gross at 8 bhp/ton, both significant figures in Britain and Germany respectively.

It has been designed as a "European" engine and will have an operating life of at least 300,000 miles before major overhaul, given appropriate maintenance. Its companion V8.500, the 510, is known to be performing well in many instances after covering 300,000 miles. This is a 180 bhp engine.

Design specifications additional to those needed for a larger swept volume include integrally mounted oil cooler and a fuel pump made specifically for the unit by SIGMA. Injectors come from the Italian company OMAL.

Swap body Bedford extension

SPECIALISTS in the manufacture of the heavier class of bulk grain vehicles, Tamplin Engineering Limited, Birmingham, has extended its swap-body system to cover the lighter range of Bedford vehicles.

This has been achieved by utilising four low-cost jack leg units and simple ISO type locks, while a special feature of the equipment is that it enables the Bedford truck to be backed in beneath the body frame through an automatic alignment system developed by the company.

Available also for agricultural and industrial applications, the 605 will provide up to 200 bhp for intermittent applications. In both instances its BSAU 141 gross rating (excluding smoke) is 200 bhp (180 PS) at 2,500 rpm. Torque is 460 lb/ft or 624 Newton metres at 1,500 rpm.

Possibly the most significant feature of the new design, however, is the fact that overall weight and dimensions are within a fraction of those of its predecessor and that the modification

introduced still allow for economical production on transfer machinery alongside the 510.

Refrigerated payloads

HOY Trailers and Robert B. Massey and Co., have jointly introduced a standard range of

refrigerated semi-trailer vans which combine maximum payload with minimum weight. The first four of the tandem axle semi-trailers, each of 27 tons gross trailer weight, are for Ross Foods.

The trailers are constructed at the Hoy Trailers works at Dunstable, Beds., and the refrigerated bodies are manufactured and fitted by Robert B. Massey at Market Weighton, Yorks.

Trailers are of all-welded chassis-less construction. The rive section is of lightweight rolled steel, with pressed steel cross members, and the heavy duty fifth wheel plate and landing gear brackets are supported by box cross members.

The lightweight insulated body is secured to the trailer perimeter frame and cross members. The exterior side panels are in 18 swg NS4 flat alloy sheet with lapped, sealed and close-riveted joints. The front and door panels are in 18 swg alloy, with the roof panel, undercasing and underfloor sealing in 18 feet 6 inches coil.

Constructed in steel and clad in aluminium, the Taskvan's side panels feature single pitch riveting, as opposed to the double pitch on the other trailer vans. Rolled steel sections are used effectively for the top and bottom rails, instead of aluminium, as well as for the floor-beamer configuration, with pressed steel for the pillars.

One of the outstanding advantages is its generous load space, a width of 7 feet 11 inches being provided between interior lining panels.

Ratios are close, and, in combination with the low inertia of the V8 engine, afford a fast gear change. A remote change-speed with a forward-mounted gear lever brings the line of action close to the steering wheel.

A small transverse leaf spring steadying the tail of the gearbox sits on a stout bridge cross-member between the rear brackets of the front springs. This steady relieves torque reaction in the lower gears.

Where the 32-Four V8 departs from the usual specification is in the engine and transmission, on which considerable weight is saved compared with the other models of similar power. Matched with the V8.605 engine is a 15 inch single-plate clutch and 10-speed range-change Fuller 610 gearbox.

Powering the Bison range is the Leyland 500 fixed head engine which under BSAU 141a, 1971 conditions gives a maximum output of 171 bhp (127 kw), and under standard installed conditions produces a net output of 161 bhp (120 kw). The power to weight ratio for standard vehicles is in excess of 6.5 bhp per ton.

A flat torque curve reaching 370 lb/ft (500 Nm) at 1700/1800 rev/min gives the Bison adequate performance characteristics on gradients and in lower gears for off-highway operation. The six-speed constant mesh gearbox employed on BSAU 141a is retained with a lower first-gear ratio of 7.17:1 replacing the 6.63 of the 22 ton Bison.

The 24 ton Bison employs a 12-inch rolled high tensile steel frame which replaces the 10 inch 22 ton frame.

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INSTRUMENTS

One ounce microscope

A POCKET microscope weighing less than an ounce, with a magnifying power of x30 has been introduced to the U.K. by Beck of Kassel, West Germany. Dimensions are 4 1/2 x 1 1/2 inches, and the microscope can be used either with natural light through its transparent base, or with a battery-powered illuminator and stand. Total weight of microscope, illuminator and two 1.5V minicell batteries is under 2 1/2 ounces. Focus adjustment is by a knurled slide.

A version is available incorporating a 3-mm. scale, with 0.05-mm. subdivisions. It is marketed in this country by Northgate Instruments, 19, London Road, Gloucester GL1 3EZ.

Six channel light beam recorder

PROVIDING six recording channels at frequencies from dc to more than 100 kHz, the 10-650 direct writing recorder from Shandon Southern Instruments of Primley Road, Camberley, Surrey, is aimed at designers of controlled semiconductor rectifiers and those concerned with observations in servo systems, although it is also suitable for more general use.

Compatible with conventional oscilloscopes, the 10-650 has a maximum input sensitivity of 100 mV/cm and the galvanometer natural frequency exceeds 1000 Hz. There is a six channel detection amplifier system with the gain of each channel adjustable over a wide range. The instrument uses a 50 watt quartz halogen light source and no warm up period is required.

There are six paper drive speeds between 3 and 1000 mm/s and 30m. rolls of 92 mm wide recording paper are used. The recorder measures 320 x 230 x 415 mm and weighs 18.6 kg.

Makes small measured movements

FOR work in which highly precise measured movement is needed in three dimensions over distances of up to a couple of inches, Research Instruments of Kemrick Road, Penryn, Cornwall, have introduced the TM series of micrometer actuated micro-manipulators.

The instruments are available in three sizes with excursions of 13, 25 and 50 mm in all three axes. A magnetic coupling is used to transmit movement of the micrometer spindles to the carriages. This is stated to

remove lost motion and backlash and to impart an accurate and highly linear movement to the carriages.

The carriages run on linear ball bearings which ensure smooth precise movement by employing a rolling rather than a sliding action. The resultant minimal friction and wear is claimed to give a long operational life.

RESEARCH

Guthrie to expand its services

A RESEARCH and development centre has been opened by Guthrie Industries and Guthrie Estates part of the Guthrie Corporation Group, at Sands, High Wycombe, Bucks. The centre provides 20,000 square feet floor space and with its equipment has cost about £250,000.

Work at the establishment will expand the technological services offered through the technical and development departments of member companies of the group and also through the group's extensive facilities in Malaya, bringing the total research investment to £500,000 per year.

The Guthrie Industries section has three basic objectives. First, to support and extend the range of products and services offered by companies in this division including development of the technologies of the coating of textiles with latex foam and other solid and cellular polymers, work on textiles produced by conventional and non-woven techniques and developments in rubber and plastics technology, particularly polyurethanes as cast elastomers and foams.

Results will be applied to products supplied by companies of the division to manufacturers of foundation garments and swimwear, carpets and other floor coverings, footwear, furnishings, blankets and other textiles.

Second, the section provides a design engineering facility for the design, procurement and installation of equipment for new manufacturing processes from pilot stage to full-scale production plant and buildings.

The third objective is aimed at the conception, investigation and development of new products.

The Guthrie Estates research will be carried out in two product areas, natural rubber and palm oil. Work will be directed towards investigating the properties and subsequent specifications of these two products and to extending and improving their end uses.

Guthrie was a pioneer in the production of technically specified rubber and its technical staff will maintain the customer service to provide advice on rubber compounding to smaller companies which do not possess research facilities.

TONY FRANCE

COMPUTERS

Controls difficult loops

CLOSE control of "difficult" loops at what is claimed to be "a fraction of the cost of even the smallest practical mini-computer" has been developed by Reed Engineering and Development Services of Larkfield, Kent.

Known as the sampled data analogue controller (SADAC), it is to be made generally available after the prototype has been successfully run line for several months controlling basis weight on a Reed papermaking machine.

It is intended in the main for control loops that are characterised by transport time delay which previously required a digital computer to achieve worthwhile improvements in performance over conventional analogue control.

SADAC contains a chain of data analogue memories that hold several past values of the measured variable and control actions that it has already taken. It is programmed to allow for these each time it makes a control move, which it can do several times during the delay period. Advantage has been taken of the microcircuitry currently available to shrink the system into a package only a little larger than a conventional process controller. It is entirely self-contained and can be applied to any loop for which there is a suitable measurement signal and process actuator.

Additional panels can be plugged into any Hewlett Packard mini-computer. It can be used with the company's Fourier analysers to do 1024-point transforms in 160 milliseconds. This makes possible real time power spectrum analysis to frequencies beyond 2kHz. Called the model 5471A, the machine can also be used simply as an additional arithmetic unit in any 11V computer for more efficient analysis work.

The other unit is the model 5470A fast Fourier processor. This can be used with expensive multiway switches

Two equipments have been announced by Hewlett Packard of 224 Bath Road, Slough, Bucks, that are designed to speed up the performance of Fourier transforms and other signal and time series analysis using a computer or a Fourier analyser.

One of these is simply an arithmetic unit consisting of four printed circuit cards that plug into any Hewlett Packard mini-computer. It can be used with the company's Fourier analysers to do 1024-point transforms in 160 milliseconds. This makes possible real time power spectrum analysis to frequencies beyond 2kHz. Called the model 5471A, the machine can also be used simply as an additional arithmetic unit in any 11V computer for more efficient analysis work.

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many manufacturers' computers, although it is supplied with an interface and software driver for Hewlett Packard machine only. Integrated with the company's analysers or computers, the 5470A reduces the time required for a 1024-point transform to 15 milliseconds.

Computing thesaurus

A THESAURUS of computer terms is now available from the National Computing Centre, Quay Street, Manchester M3 3JH. It consists of a structured list of descriptors (or keywords) that can be used to index information on computing or computer applications. The information can be books, technical literature, programs, but ware information.

At present the NCC thesaurus contains about 4,000 descriptors and is continuously being updated by the addition of new terms and relationships. It is available in the standard thesaurus format (that is, the Joint Council) and is compatible with other leading thesauri. It can therefore be used in general libraries to provide in-depth indexing of computer topics, or in specialist computer libraries requiring terms fringe topics.

ELECTRONICS

Switching in heavy vibration

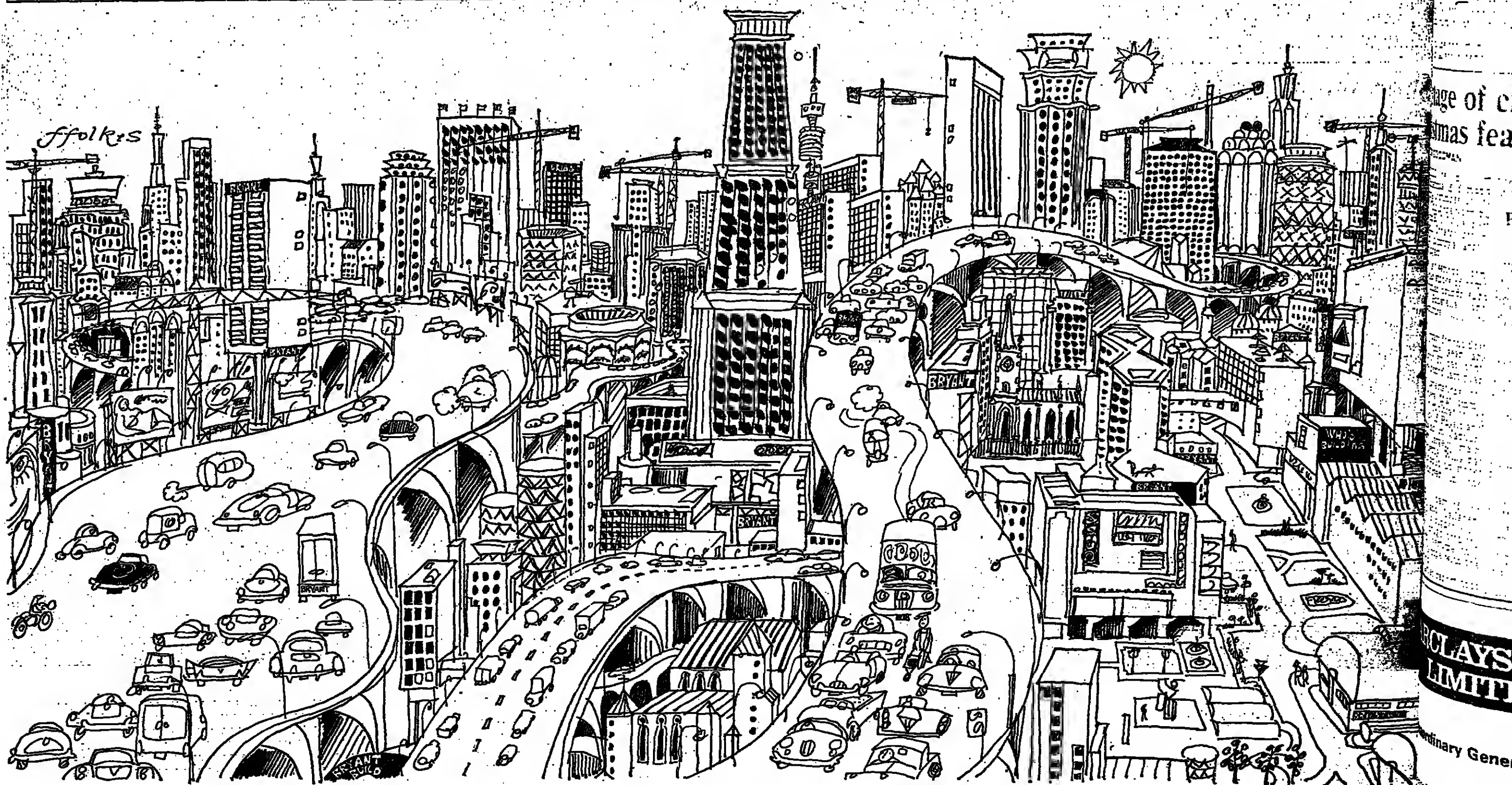
MODIFICATIONS to the Seletro to give high resistance to vibration have been introduced by the Programming Division of Seletro, Watlington, Oxfordshire.

A modification of the Seletro-106, the new board is 10 x 10 matrix and retains plastic cover to retain plug connections. An extremely dense means of program expansion afforded by a modular built-in 10 x 10 matrix to a 10 x 10 hole matrix in one state 52 x 19 inch wide rack.

Additional panels can be plugged into any Hewlett Packard mini-computer. It can be used with the company's Fourier analysers to do 1024-point transforms in 160 milliseconds. This makes possible real time power spectrum analysis to frequencies beyond 2kHz. Called the model 5471A, the machine can also be used simply as an additional arithmetic unit in any 11V computer for more efficient analysis work.

The other unit is the model 5470A fast Fourier processor. This can be used with expensive multiway switches

Additional panels can be plugged into any Hewlett Packard mini-computer. It can be used with the company's Fourier analysers to do 1024-point transforms in 160 milliseconds. This makes possible real time power spectrum analysis to frequencies beyond 2kHz. Called the model 5471A, the machine can also be used simply as an additional arithmetic unit in any 11V computer for more efficient analysis work.



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Bulk electricity charges may rise 5% in April

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE Central Electricity Generating Board's bulk supply tariff—charge to the area boards which sell the electricity to private consumers—will be raised by about 5 per cent in April, it is understood.

In addition, the 12 area boards face the prospect of automatic increases in their costs of fuel as the price of oil rises again next year, because of the fuel adjustment use built into the tariff. Fuel costs for about half the GB's total costs.

It has already been indicated that the boards will raise their tariffs to domestic and industrial rates by about 5 per cent on average between January and next year, in line with the inflation of British industry's price restraint policy.

This will not put the distribution side of the electricity industry back in the black, after the last year the area boards incurred a loss of £42m. and there is likely to be further losses the current financial year, which ends in March.

re situation

The 5 per cent bulk supply increase now planned for April will bring about a further deterioration in what is described as a dire situation.

Winfrith reactor testing new fuels

TED SCHOETERS

THE work of the high temperature gas-cooled reactor at Winfrith, in Dorset, during its first year of operation was concentrated on the testing of new fuels from many countries, indicating that when commercial versions are compact and potentially cost-effective, they will be ordered in large quantities.

The reactor, which is the first of its type in Britain, is a joint venture between the Atomic Energy Research Establishment, Harwell, and the Central Electricity Generating Board. It is designed to produce electricity by using a gas-cooled reactor, which is a type of reactor in which the heat from the nuclear reaction is carried away by a gas, rather than by water.

The reactor is being used to test a range of new fuels, including uranium, thorium, and plutonium. The results of these tests will be used to design commercial reactors, which are expected to be built in the 1980s.

The reactor is also being used to test new materials, which are needed to withstand the high temperatures and radiation of the nuclear reaction. The results of these tests will be used to design new materials, which are expected to be used in commercial reactors.

Shortage of cigars at Christmas feared

LINOR GOODMAN

IT COULD be in short supply at Christmas if demand for cigars continues at its rate. This is the warning of D. and H. O. Willis, part of the Imperial Tobacco group, one of the country's largest producers of cigars.

Mr. Willis says it is "seriously concerned" whether stocks of some of the most popular brands such as Panatella and Miniature will be sufficient to meet demand.

Trade orders for the first three months of this year are at about 57 per cent of the same period last year.

Mr. Willis says that, in view of the fact that the Imperial Tobacco group has not yet published its annual report, it is difficult to say whether the company is in a position to build up stocks for the summer in the coming year.

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BARCLAYS BANK LIMITED

Extraordinary General Meeting

Extraordinary General Meeting of Barclays Bank Limited was held on Thursday 11th November 1971 at the Head Office of the Bank, Lombard Street, London, E.C.3.

John Thomson (the Chairman) presided.

Resolutions as set out in the Notice of Meeting were passed to alter the Articles of Association of the Bank.



Talks have begun on safeguards for Australian exports

BY MICHAEL CASSELL

MR. WILLIAM McMAHON, Prime Minister of Australia, disclosed yesterday in London that detailed talks with the British Government, aimed at safeguarding some of Australia's major exporting industries after U.K. entry into the Common Market, had started this week.

Mr. McMahon, who was speaking at a meeting organised jointly by the Australian-British Trade Association, the Australia Society and the Confederation of British Industry, said that discussions started on Wednesday after his meeting earlier in the week with Mr. Heath.

The talks, on an industry-by-industry basis, will cover a wide range of products, including butter, sugar and dried and canned fruits. Mr. McMahon added: "Mr. Heath told me that his Government was willing to discuss the problems of individual industries with us and indicated his readiness to begin talks with sugar. These talks are already under way, with sugar the first subject for discussion."

The Prime Minister said he was hopeful that the talks would result in the protection of Australia's exporting interests to the U.K., but emphasised that his country would have to involve other EEC nations in its attempts to secure greater trading opportunities in the future.

Now that the decision to join the Common Market has been made, "we hope you will do your best to safeguard the interests of long-standing trading partners. In our case, agricultural and pastoral industries have been developed and geared to the requirements of your markets and the rural communities concerned are to-day already in worse straits than at any time since the 1930s."

The Prime Minister emphasised that a period of transition was essential to lessen the impact of the inevitable disruption to these industries on U.K. entry.



Mr. William McMahon

Coal stocks

Stocks have been built up to a high level to help the National Coal Board disperse production. In addition, some 4m. tons of coal ordered from overseas early last year, when there were shortages, have increased the CEB's stock level.

It is possible that the CEB will make further moves towards the use of natural gas in electricity power stations next year.

Discussions are currently taking place with the Government and the Gas Council about the possibility of supplies of natural gas being stepped up and there is some optimism within the CEB that the objections of the gas industry can be overcome.

It is being emphasised, however, that natural gas would remain a marginal source of supply.

Schumann talks big help to U.K.-France relations

BY IAN DAVIDSON

FRANCO-BRITISH relations took a significant step forward yesterday, at an extremely friendly and frank meeting at the Foreign Office between Sir Alec Douglas-Home, the Foreign Secretary, and M. Maurice Schumann, his French opposite number.

Their two hours of discussions were described afterwards as having "revealed a very wide measure of agreement," and it is expected that the communiqué due to be published to-day, at the end of Mr. Schumann's two-day visit, will say considerably more than usual.

The main topic of discussion was the current international economic and monetary crisis, on which both ministers agreed it was necessary to reach a settlement in the near future.

They also talked at some length about the Soviet proposal for a European Security Conference, and agreed that any such conference should cover co-operation as well as security in Europe.

The parallel proposal for an East-West negotiation on Mutual Balanced Force Reductions, on which France and Britain do not see eye to eye, was only briefly mentioned.

A large part of the meeting was devoted to the affairs of the European Community, with discussion not merely on the broad questions of the future political organisation and purpose of the enlarged Community, but also on the prospects for economic and monetary union in the Community and the tasks facing the European summit meeting scheduled for some time next spring.

Finally, the two foreign ministers talked about the Middle East, and the situation in India and Pakistan. Last night M. Schumann attended a dinner given in his honour by Sir Alec Douglas-Home, followed by a reception at Lancaster House.

To-day M. Schumann will spend a further two hours at the Foreign Office, this time with Mr. Geoffrey Rippon, when he will no doubt discuss the final stages in the U.K.'s negotiations in Brussels (notably the unresolved problem raised by the Community's fishing policy), as well as the Community's relations with those EFTA countries not seeking full membership.

M. Schumann will also spend an hour with the Prime Minister before lunch.

Tesco sells 250,000 watches

BY SHEILA BLACK

IN THE first 60 days of trading as the first major retailer to sell watches by self-selection, Tesco Stores sold 250,000 Swiss-made watches through Home 'N' Wear shops and departments of Tesco supermarkets. The figure has now risen above 300,000. Prices of the watches are between £2 and £3.

Yesterday, Sir John Coben, Life President of Tesco Stores (Holdings), was guest of honour at a presentation to mark this achievement. He was congratulated by Mr. Willy Herrmann, chairman of Trafalgar Watch, a

British registered company supplying the watches, who explained how supermarket sales had become possible.

Trafalgar developed a pilfer-proof stand, yet one which shows the merchandise clearly in transparent containers. Guarantee forms are taken from the channels at the top of the stand at the time of purchase.

Cheaper watches have become possible as a result of the dismantling of import quotas under EFTA, company mergers and technical advances in Switzerland, and the abolition of resale price maintenance in the U.K.

Trafalgar's "Roskopf" Swiss watches were creating extra business, and were not siphoning business away from jewellers and traditional watch retailers, asserted Mr. Herrmann.

"For supermarkets, we are creating watch fashions. At £2 to £3 a time, people can own up to half-a-dozen for different occasions. In my opinion, this will not affect the sale of high-priced, branded merchandise sold through retailers, of which 80 per cent are bought as presents."



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It is therefore a very individual car. Even by Mercedes standards. And it looks it. But those sleek, elegant coupé lines are more than a designer's whim.

Its compact overall size makes the 250CE extremely easy to manoeuvre in traffic, yet the interior is almost as spacious as a Mercedes saloon. Visibility is unusually good. Less than ten per cent of the all-round view is obstructed by roof pillars. In traffic another advantage is its acceleration (0-60 10.2 secs)—particularly with optional automatic transmission which allows you to glide through traffic jams with no more than a touch of the accelerator. The 250CE is also easier to park than many smaller cars. Most people also

specify the optional power-assisted steering which removes even more of the effort.

Out of town the Mercedes 250CE shows the other side of its nature. It can cruise at speeds far in excess of the legal limit (top speed 118 mph) and at the end of several hundred miles of such driving, both the driver and four passengers can get out as fresh as when they got in. It owes this performance to a 2.5 litre 170 h.p., 6 cylinder engine with electronic fuel-injection and transistorised ignition.

The 250CE is also a very desirable cross-country car. On twisting roads it shows truly sporting characteristics. What would be tight corners to some cars are no more than gentle bends to the 250CE Coupé. The four wheel independent suspension and gas-filled shock absorbers ensure fantastic roadholding and passenger comfort. And if you need to stop in a hurry the

twin-circuit, four wheel disc brakes will do just that.

This then is the rare Mercedes-Benz 250CE Coupé, a car which has been designed right down to the last detail. Typical of that attention to detail is the vacuum-operated system which locks the backs of the front seats as soon as the doors are closed.

With automatic transmission and power-assisted steering, the 250CE costs £4,081. Why not try driving it. The only effort required is a phone call to your nearest Mercedes-Benz dealer.

Mercedes-Benz (Great Britain) Ltd, Great West Road, Brentford, Middlesex. Telephone: 01-560 2151

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Spain discovers oil—and a policy dilemma

BY ADRIAN HAMILTON

IN A RECENT speech at Harrogate, Sir David Barran, of Shell, defined the aim of a national fuel policy as one of constantly balancing the country's need for cheap energy with its desire for security of supply.

The spate of discoveries in the North Sea, he pointed out, had for the first time given Europe the promise that its reliance on oil imports from the Middle East might be partly eased. But he warned that the finds also presented a challenge: how could Government policy best encourage the early exploitation and realisation of the North Sea's potential? There was a dilemma over whether exploitation was best carried out by encouraging the experienced international oil companies to invest in exploration, or whether national interest would best be secured by ensuring a guaranteed role for the state in the exploration effort.

Sir David was referring specifically to the northern European countries, and to the U.K. in particular; but the question he posed could equally apply to Spain and southern Europe, where the first commercial discovery of oil in the Mediterranean has been made off-shore in the Gulf of Valencia.

Initial rate

The find, at Amposta, some 14 miles off the Tarragona coast, is due to start producing late next year. With an initial production rate of some 50,000 barrels a day, it is small compared with the 300,000 barrels-a-day fields found in the North Sea, while its high-sulphur, heavy oil is not nearly as attractive as the high-quality oil so far produced off Norway.

But the field is close to shore and provisional development costs, at some \$25m., are relatively low compared with the vast sums needed to exploit fields such as the Forties Field and Ekofisk in the inhospitable waters off Scotland and Norway. More important, the Spanish discovery, followed by indications of oil off Italy and Greece, has given the southern European countries the first real

taste of their own crude oil at a time when they have been particularly badly hit by the rapid escalation in the cost of North African supplies—which, from being comparatively cheap, have become rather expensive after the Libyan settlements last year and earlier this year.

Where the larger industrial countries such as the U.K. and Germany have been able to absorb some of the losses on their balance of payments caused by the OPEC settlements, by means of increased trade with the producing countries, the less developed countries have not had the same advantage. In Spain's case the situation has been aggravated by a growth in consumption averaging 19 per cent. per annum in the last few years.

Second rig

From the oil companies' point of view, the presence of reserves near so valuable a consuming area has done much to spur activity in the Mediterranean. Just as Phillips' discovery of oil off Norway did in the North Sea, Shell itself, which made the Amposta find, has recently announced a potentially much more important find of higher-quality oil nearby, and is bringing in a second rig to start exploration off Cadiz over the winter. INI, the Spanish state industrial organisation which is one of the minority partners in the Amposta field, has plans to use a rig with its French partners off Valencia in the spring.

At the same time there is increasingly strong competition for concessions still to be awarded in the Spanish Mediterranean. Shell/Campsa, Coparex, INI, Atlantic Richfield, Cities Service and Continental Oil are all applying for licences in the Gulf of Valencia; while Ranger Oil of Canada has applied for a licence farther East, and off-shore the province of Barcelona. Shell/Campsa, INI/Occidental and a local consortium are also seeking acreage. A similar pattern is emerging elsewhere in the Mediterranean, with both European and international

companies seeking new licences in the Gulf of Lyons and off Sicily.

But if the discovery of off-shore oil has seemed to hail the dawn of a new era in the Mediterranean, it has yet to deliver that promise. Indeed, the size and quality of the find in many ways creates more problems than it has solved. Initial production will be the equivalent of only some 10 per cent. of the country's oil requirements, while the high-sulphur content poses a number of difficulties for local refiners.

Refinery

The Spanish Government has already announced its intention of authorising a new refinery to be built in the Tarragona area, close to the find, and has assured its own presence through a 60 per cent. participation held by INI. But INI and its partners—who have yet to be chosen—might well prefer to see the Amposta oil distributed among a number of plants around the coast absorbing large quantities of heavy crude, rather than taking on the full burden at Tarragona.

Sensitive

The Tarragona refinery issue, and the question of finding partners for the project, has also touched on more general, and highly sensitive, issues of state participation in the oil industry. Like other European countries such as France and Italy, Spain has developed a mixed and uneven combination of state control, local capital and international investment in its attempt to formulate an overall national fuel policy.

The object of this policy has been both to protect and guarantee a role for Spanish state and private industry in the growing oil business and to ensure secure and cheap supplies of imported crude. Internally, the retail market has long been organised as a monopoly run by Campsa, a private company in which the Government has a 30 per cent.

stake. On the refining side, substantial Spanish participation has been ensured by the 1968 refinery law establishing a maximum direct foreign capital participation of 40 per cent., with the requirement that 30 per cent. be offered to the Spanish public and a further 10 per cent. to existing local companies.

Real Spanish participation on the crude oil side, however, has been much more difficult to achieve. Despite a long history of exploration both within Spain itself and in its foreign territories, the country has found little oil of its own and, in 1958, finally liberated its oil exploration laws to encourage foreign investment. Even with the boost that this provided, however, Spanish oil production still amounts to no more than 3,000 barrels a day and its only producing field, Ayoluengo, near Burgos, is expected to run out in 1975. Crude oil imports, in the meantime, have grown to over 30m. tons while the import bill is now well over \$400m. a year.

Trade deals

In these circumstances, the country has committed itself to a wide-ranging drive for greater participation and control of foreign crude oil production. Hispanoil, a consortium of Spanish companies in which the Government has a 58 per cent. controlling interest, is now involved in concessions in Libya, Kuwait, Iran and Dubai. More recently, it has also been charged with negotiating as much as 30 per cent. of Spain's oil imports through barter and general trade deals. On top of the ten-year supply agreement with France's CFP (tied up with a loan), the Spanish Government and its oil interest have already sought barter agreements with Iran, Algeria, Kuwait and, in the last year, with Bolivia; all these deals involve the exchange of oil, technical expertise and goods.

With relatively small resources, however, there are limits to how much Spain and

Spanish industry can achieve by themselves, and the Amposta discovery has come at a time when the longer-term decisions on future development of oil policy will have to be taken. In that it proves that higher quality oil does exist in the region. But it has yet to be proved commercial and there are some geologists who believe that, on the evidence so far, the structures in this part of Spain are far from hopeful.

Ambitious

The situation is made more complex by the variety of agencies through which the Government operates and the potential conflicts of interest between Campsa, INI and Hispanoil. Campsa, for instance, has long been active in exploration within Spain and partners Shell off-shore Valencia. But, while wishing to continue its interests there, it appears quite happy to see greater foreign participation and freedom in off-shore exploration.

INI, on the other hand, sees the Amposta find and the international interest which it has aroused, as an opportunity to pursue a much more ambitious role in future exploration. Already involved in the Amposta group, it is urging the Government to guarantee its presence in new concessions off-shore Spain and to develop licence terms on the more prospective areas along the lines of state partnership already developed among some of the OPEC countries.

Incentives

Against this, the oil companies argue—as they have in the North Sea—that rapid exploration and development can only be achieved by encouraging the experienced international oil companies with more liberal rules and greater financial incentives. The finds off Spain, they point out, unlike the North Sea, are small and have yet to show a really major field. Amposta, while it may have a higher potential than oil finds in Europe.

present if a southern part of the structure shows oil, is still a useful find rather than a major one. Shell's more recent discovery is more exciting, in that it proves that higher quality oil does exist in the region. But it has yet to be proved commercial and there are some geologists who believe that, on the evidence so far, the structures in this part of Spain are far from hopeful.

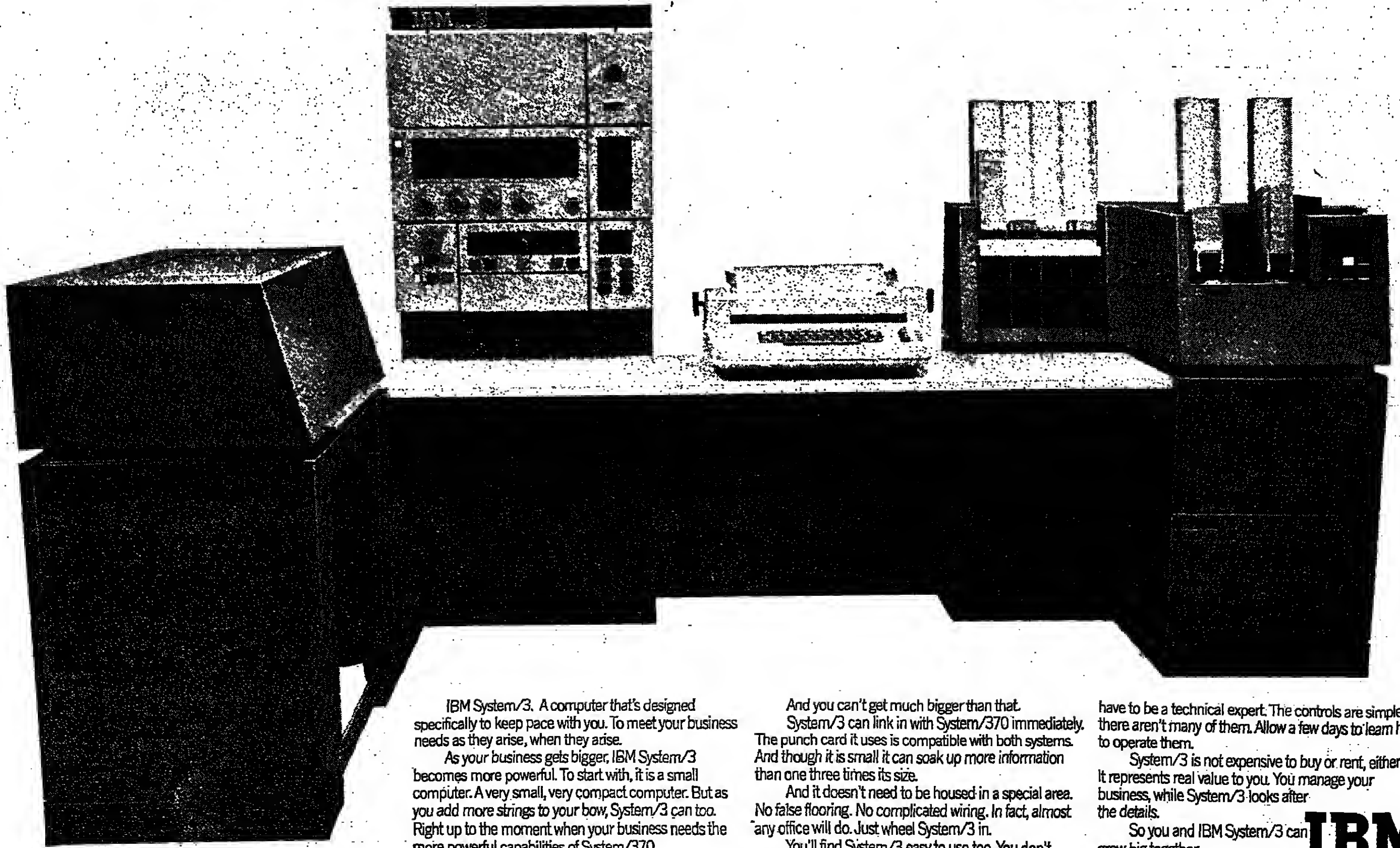
If the more conservative estimates do prove correct, Spain's off-shore fields are small, then the country may well have to offer high incentives to justify production and further exploration. If, on the other hand, Shell or another company does make a more exciting find off Cadiz or elsewhere, then the Government may have room to insist on tougher terms in the future.

Not easy

In the end, only concentrated drilling will answer the question. But in approaching the issue, Spain is experiencing many of the dilemmas faced Europe as a whole on oil policy. With the movement towards state control within OPEC, the one hand, and the discovery of potentially sizeable amounts of oil in Europe on the other, there are many who believe the future must lie in the development of a purely European industry working and negotiating directly with the state concerns of the Middle East and Africa.

Equally, there are those who argue that the tremendous expense and expertise required in shore exploration demands more than ever that it be handled efficiently and with the least burden on national resources. Just as Europe's continued dependence on the Middle East and OPEC is best achieved using the broad spread and pettiness of the international industry. It is not an easy task that has any easy solution as Spain has shown, it may be one that is only intensifying.

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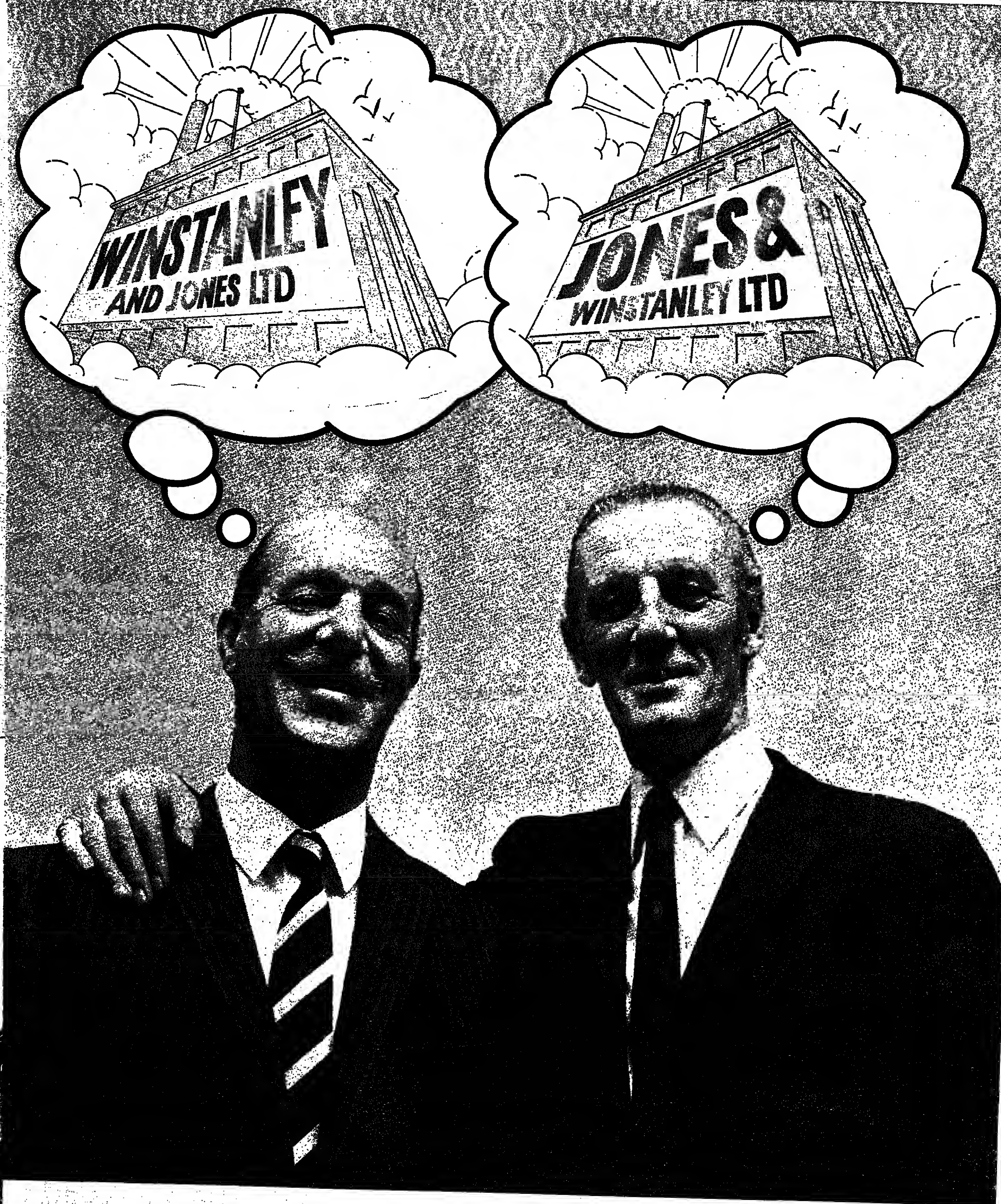
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ANNUAL STATEMENTS

THE KETTON PORTLAND CEMENT CO. LIMITED

At the forty-third Annual General Meeting of The Ketton Portland Cement Co. Ltd., held at Albion Works, Sheffield on November 11th, the chairman, Mr. Arnold Carr, said:

"This is the first time I have addressed you as chairman and I would like to pay a very sincere tribute to my predecessor, Mr. H. W. Secker, O.B.E., who retired from the chairmanship of Ketton on October 14th, 1971. He has been associated with this Company for a very long time and its chairman for twelve years, during which time the Company has developed and progressed, and we wish him every happiness in his retirement."

"As may be seen from the directors' report, the Company sold over 630,000 tonnes of cement in the past year. This record figure reflects much credit on our Works Organisation. The unusually mild winter months facilitated building and construction work and enabled our selling agents, Thos. W. Ward Ltd., to achieve the sale of what is virtually the whole of the company's capacity."

"In the past year production costs continued to rise and shortly before the close of our financial year the industry increased the price of cement to meet such rising costs and to allow a more reasonable margin on the capital employed. This was essential after the very low level of return in the years 1967 to 1970 when at one stage the industry's margin fell as low as 2.5%, a rate completely discouraging new investment."

"The profit for the year, before taxation was £1,375,590 compared with £742,568 in the previous year, an increase of £632,852. After tax the figures are £995,018 and £531,359 respectively—an increase of £463,660."

"It will be recalled that the dividend on the Ketton Ordinary Shares was increased by a modest amount last year after six years in which it had re-

mained unchanged. In view of the rewarding results achieved this year it is felt that ordinary shareholders should again participate. The Interim Dividend was increased from 5% to 7½% and it is now proposed that the Final Dividend be increased from 10% to 12½% making the total for the year 20% against 18% last year."

"The last increase in the price of cement operated from May 10th, 1971, when the industry gave an undertaking that there would be no further change in cement prices in the ensuing twelve months. Since then the Confederation of British Industry has taken its own initiative on prices which extends to July 31st, 1972, during which time the signatories undertake to keep their prices down and limit absolutely necessary increases during that period to a maximum of 5%."

"Thus the selling price of cement is virtually frozen until the end of July, 1972. This being so, the income resulting from the increase in selling price from May, 1971 may be considerably eroded by the increased costs already accrued and those accruing during our present financial year. Nevertheless, it is anticipated that reasonable profits will be made in the year to June, 1972, providing there is no considerable reduction in building and construction and that the winter months are not severe."

"Once again I would express my thanks to employees at all levels for their contribution in achieving these record results. Ribblesdale Cement Limited, The Ribblesdale Company continues to achieve record deliveries and profits which are to a great extent reflected in an increased dividend on our investment in that Company. I wish to record my appreciation of their very good efforts."

"The retiring directors, Mr. Arnold Carr and Mr. John Eadon were re-elected and the auditors re-appointed."

Finance problems ahead warns chemicals chief

BY JOHN TRAFFORD

BRITAIN'S chemical industry is facing "serious long-term difficulties over financing its technological development and the growth of its capacity," Mr. John Townsend, president of the Chemical Industries Association, told the organisation's annual meeting in London yesterday.

Although there were signs that a more hopeful view was being taken in U.K. business circles, "this does not as yet extend to the chemical industry where the investment outlook remains sombre," the president went on.

Surplus
Mr. Townsend, who is a director of Imperial Chemical Industries, said that U.K. chemical output was only 3 per cent higher this year, a long way behind the 6.5 per cent annual growth of the 1960s. A slower expansion in demand had led to world-wide surplus capacity, particularly in certain heavy organics and their downstream products.

"Echoing the recent words of his colleague, Mr. Edmund Williams, chairman of ICI's plastics division, Mr. Townsend said there were strong reasons for considering methods of allowing competing companies to phase the introduction of new capacity in a more orderly fashion."

Unit costs had been rising at an annual rate of about 8 per cent, and last year per capita wage and salary bills went up by 15 per cent. The effect of the latest awards would cause a further, though smaller, rise this year.

Selling prices, rising on average at 5 per cent, annual rate, had so far not fully reflected the inflation in costs. In the high growth petrochemical sector, the increase had been no more than 1.5 per cent.

Despite many economies, including a fall from 472,000 to 460,000 in the number of employees, the industry's cash flow had dwindled to the point where it was going to be difficult to finance "modernisation and new investment on the scale to which we have been accustomed."

Recalling the annual survey of investment intentions made early in 1971, Mr. Townsend reminded his audience that, at constant (1963) prices, fixed capital investment was expected to decline sharply from the actual 1970 level of £280m. to £250m. this year, £225m. next and £205m. in 1973.

A bright spot was international trade in chemicals. In the first half of 1971 U.K. exports were £463m. compared with £418m. a year earlier, while imports grew more slowly. The positive trade balance in chemical, which stood at £256m. in 1969 and £280m. last year, was likely to exceed £300m. in 1971, the president forecast.

Court order on Britten-Norman assets

BRITTEN-NORMAN, the Isle of Wight aircraft co., and its receiver were ordered by a High Court judge yesterday not to transfer any of the company's assets except in compliance with an agreement made in 1968. The order will remain in force until Tuesday.

The agreement, Mr. Justice Foster was told, was between the company and, among others, Crop Culture (Aerial) and Crop Culture (Overseas), both of Bembrige, Isle of Wight.

It provided for payment of royalties by Britten-Norman to the other parties to the contract, and stated that there should be no transfer of assets unless the directors arranged for continuation of the royalty payments.

The judge granted the order on an application by the Crop Culture companies, who also claim to be substantial creditors of Britten-Norman. Neither Britten-Norman nor the receiver, Mr. Edmund Williams, was represented, but the case will be before the court again on Tuesday.

Thames gas 5% dearer in New Year

Financial Times Reporter

NORTH THAMES GAS BOARD last night announced a 5 per cent increase in gas prices and standard fixing and installation charges. The increases are in line with Gas Council policy.

In the current round of price increases, all 12 area boards are keeping within the 5 per cent voluntary limit set by the Confederation of British Industry.

The price of manufactured gas in the North Thames area is raised from 13.30p to 13.95p per therm and that of natural gas from 12.5p per therm to 13.44p per therm. The increases come into effect from the date of the first meter reading after December 31, 1971.

Since North Thames gas prices were last raised in December last year, there had been "further large rises in wages, transport charges and costs of materials," the Board said. The cost of providing service had increased about 9 per cent this year but standard fixing and installation charges were being lifted by only 5 per cent, from December 14 next. For cookers the rise would apply from June 1, 1972.

After meeting of the North Thames Gas Consultative Council yesterday, the Board agreed not to go ahead with a proposed increase of the standard on-demand service charge from £2.50 to £2.62.

A Board spokesman said that holding prices within a 5 per cent limit would further impede efforts to meet the target 7 per cent return on capital outlay.

In 1970-71, North Thames had made a profit of £185,000 and shown a return of 5.8 per cent, he stated.

STIMPSON DECIDES TO CLOSE DOWN

Stimpson and Rolleston, building contractors and property developers near Leicester, it to close down at the end of the year. This decision will mean unemployment for 60 employees—bricklayers, carpenters and semi-skilled workers.

Mr. K. Stimpson, managing director, announcing the decision, said all contracts currently being handled will be completed before the closing date including a £50,000 district shopping centre for Leicester City Council.

He added that the decision to close down had been taken after two or three years of suffering. "Exaggerated contracts particularly in civil engineering work in Lincolnshire."

Government preference for two-rate corporation tax

FINANCIAL TIMES REPORTER

THERE is a slight preference in Government thinking towards the introduction of a two-rate corporation tax system as opposed to the "imputation" system, Mr. Patrick Jenkin, Financial Secretary to the Treasury, said in London yesterday.

He admitted, though, that there were important international implications to consider before a decision was made, including the different effects of the two systems on the U.K.'s position in double tax negotiations and the future course of developments within the Common Market.

Mr. Jenkin was speaking on the final day of a two-day conference on value added tax and corporation tax, organised by the Financial Times in association with the Institute for Fiscal Studies.

Lower

In the two-rate system, corporation tax would be paid at a lower rate on distributed than on retained profits so that, after income-tax was paid on the former, the level of taxation on these two types of profit would be the same.

Under the imputation system, all profits, whether distributed or not, would be charged to corporation tax at the same rate. But part of the corporation tax paid on the distributed profits would be "imputed" to the credit of the shareholder, and treated as though it was a payment on account of the shareholder's eventual income-tax on his dividends.

Dealing with the two systems, Mr. Jenkin said one advantage of the two-rate system was that it required fewer provisions to counter possible leakage and abuse.

Referring to the Government's consultations on the subject of reforming corporation tax, Mr. Jenkin said: "The overwhelming majority of the representations we have had have supported the general thrust of a tax reform, and in particular have welcomed our proposal that the corporation tax system should be neutral as between the distribution and the retention of profits."

Even where people have sought quite significant changes in our details, there has been a pretty general agreement that we have had the best of the Green Paper would be a very real improvement on the present system."

Mr. Jenkin admitted that developments over the past seven months had tended to confirm the



Patrick Jenkin, MP, Financial Secretary to the Treasury.

view that there might be international arguments in favour of the imputation system. Consultations with the EEC and North America had suggested that either system would, in practice, be compatible with any harmonised system of company taxation likely to develop in the Six.

He also reported that the Government had had second thoughts about one proposal in the Green Paper—the treatment of dividends paid within groups of companies. Since publication of the Green Paper, strong representations had been made that these particular proposals could lead to serious cash flow difficulties for groups.

The revised proposals were that subsidiary companies should, as now, be entitled to pay dividends gross without the deduction of the tax within the group. Accordingly, the subsidiary would not get distribution relief.

The parent company would be entitled to distribution relief when it made a distribution to outside shareholders. This distribution relief would be set first against the corporation tax liability of the parent company. Any excess relief would be capable of being carried back or forward to future years in the usual way. Alternatively, it could be surrendered to fellow members of the group.

Prof. Nicholas Kaldor, of Cambridge University, special adviser to the Chancellor of the Exchequer in the last Labour Government, took issue with Mr. Jenkin on his basic proposition

that corporation tax should no longer favour retained as opposed to distributed profits. "I honestly think this change is a retrograde step," he said. "The arguments in favour of it are misconceived and, in some cases, simply based on an extremely naive and superficial view on how the economy works."

"To go back to a system where undistributed profits are taxed more heavily than distributed profits is bad, not only from the point of view of the nation but is also against the interests of shareholders and even stock-brokers."

If the Government introduced either of the two systems proposed with corporation tax at 50 per cent and distribution relief of 30 per cent it would be the equivalent, according to his calculations, of a corporation tax at the rate of 33 per cent instead of the 40 per cent under the present system.

Why not simply reduce corporation tax to 33 per cent without the complications of an entirely new system? "America, which could hardly be regarded as a socialist state managed to work out a single rate system of corporation tax, and a newly higher rate than was imposed."

The new systems would not in fact prove a company's ability to raise capital. This had been confirmed by the experience of southern New Guinea, which had gone over to the two-rate system several years ago.

"It is a mistake to think that by giving the advantage to distributed profits you replace investment finance out of retained profits with investment finance of new share issues," he added. "On the contrary, you encourage investment out of retained profit and you reduce the scope for raising money on the capital market by new issues because the two things are complementary and not competitive."

Forum

At the final session, an open forum, made up of the speakers at the conference, answered various questions on VAT, corporation tax.

The forum consisted of: Prof. Kaldor; Mr. J. van Hooft, Director, International Bureau of Fiscal Documentation; Mr. R. Radford, deputy chairman Customs and Excise; Mr. R. Chown, taxation correspondent, the Financial Times; Mr. R. Egan, head of group taxation, corporate structure, Shell; Dr. Ralph Turvey, economic adviser, Scientific Control Systems; Chairman of the conference yesterday was Professor G. Sandford of Bath University.



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Birth rate figures show little change on year

FINANCIAL TIMES REPORTER

LATEST RETURNS from the Registrar General show that 11.3 per cent of the 788,000 live births in England and Wales last year were to mothers born outside the U.K.

The figures for the whole of 1970 indicate little change from that during April, 1969, to March, 1970, with which a comparison is made.

Acknowledging that the first quarter of 1970 is common to both sets of figures, the Registrar General notes that two years is too short a period on which to make an assessment of changes in trends.

A more detailed analysis of fertility patterns and trends for particular sectors of our population will be made when more data becomes available, including further statistics from birth registration and results from the 1971 census of population," he says.

In 1970, on the available comparison, the number of children born to women parents were born in the New Commonwealth (mainly India, Pakistan, Africa, West Indies, Malta, Gibraltar, and Cyprus) slipped back from 39,000 to 37,000, to form 4.7 per cent of total births.

Ignoring the birthplaces of the father, the figures show that births to New Commonwealth mothers formed 5.6 per cent (44,000) of the total compared with 5.9 per cent in the earlier period.

In 1970, 2.9 per cent (22,800) of the total births were to mothers born in the Republic of Ireland and 2.8 per cent to mothers from foreign and Old Commonwealth countries.

The report estimates the total number of live births in England and Wales during the second quarter of 1971 at 201,000—a birth rate of 16.5 per thousand.

There were 57,194 deaths registered in 1970, 4,184 fewer than in 1969. Of these, 293,033 (51 per cent) were males and 282,141 females.

Diseases of the circulatory system, the report says, "remained the most prominent causes of death for both sexes" and accounted for more than 211,000 deaths.

Another 79,000 deaths were attributed to cerebrovascular disease, 30,000 to cancer of the lung, and 85,000 to other cancers. Those causes accounted for 74 per cent of deaths of people over the age of 35.

Nearly half (4,520) of the 9,337 deaths of those aged between 15 and 34 were due to accidental and violent causes.

Abortions

Legal abortions during the June quarter numbered 31,702—5,017 single women; 575 girls under 16; 13,632 married women and 2,519 who were widowed, divorced or separated.

Migration figures for the March quarter show that 38,400 came to the U.K. and 56,500 left Britain.

Life expectancy—based on 1969-70 figures—is now 68.5 years for a male and 74.9 for a female—this is an increase of 0.5 years for males and one year for females over the figures based on 1958-1960.

Registrar General's Quarterly Return No. 480; 1971; SO, 224p.

Sick pay system may be tightened up

BY JOHN HUNT

NEW MEASURES to prevent doctors issuing medical certificates too readily, allowing patients to make false claims for sickness benefit, are to be considered by the Department of Health and Social Security.

This follows criticisms from the Committee of Public Accounts, the watchdog body which reviews public spending. Earlier this year the committee reported that during 1969-70 there was a total overpayment of £3.4m. in sickness benefit, unemployment benefit and supplementary benefit. It believed that undiscovered overpayments were much higher than the recorded figure.

In cases of doubt, the report pointed out, a claimant for sickness benefit could be referred to the Regional Medical Service for examination by a second doctor. The committee was surprised that no use was made of this system to warn GPs who were lax in issuing certificates.

The criticisms have since been considered by the Treasury, the Department of Employment and the Department of Health and Social Security.

A Treasury minute, published yesterday, said the committee's strictures had been noted and should be offered to other

Social Security was to look into the matter further.

On the question of overpayment of social security benefits, the Department of Employment had promised to keep a vigilant eye on the situation. The minute said that more investigators had been employed and there were signs that abuses were diminishing.

The minute also dealt with sub-contractors taking part in non-competitive contracts with the Ministry of Aviation Supply. The Public Accounts Committee had ruled that Government departments should be given the fullest possible information on costs of production and manufacturing plant in connection with contracts.

It noted that main contractors had accepted the ruling but was concerned to learn that some sub-contractors appeared to be taking advantage of their monopoly position to refuse information to justify their prices.

The Ministry of Aviation Supply has now agreed to consider all possible remedies against companies who are guilty of this practice. If necessary, the Ministry will adopt the committee's suggestion that contracts should be offered to other

Reduced trade through Port of Hull

By Our Own Correspondent

HULL, Nov. 11. A REPORT by the Docks to-day shows that trade through the Port of Hull in the first weeks of the year declined 224,000 tons compared with same period last year.

Total inward and outward traffic handled was 5,22m. tons in same period last year, compared with 5,44m. tons in same period last year. Imports, including fish and fruit, were 3,83m. tons (up from 3,74m. tons in 1970) and exports dropped by 1,61m. tons to 1,45m. tons.

The Chamber of Commerce blames rising costs, partly higher port charges, for decline in international trade. An investigating committee, Chamber has also lodged appeal against the second 20 per cent increase in dock dues.

A report on the trade of shows that cargoes there fallen by 488,366 tons in 1970.

WINE MEASURE GUARD

The Government is to take measures of wine in the Under regulation of some made, restaurants will specify the quantity of wine are selling in carafes. They are not allowed to sell in large amounts.

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Road traffic up by 20% in 4 years

AD TRAFFIC increased by more than 20 per cent between 1967 and 1970, says the British Road Federation.

Figures from World Road Statistics, published yesterday by the International Road Federation, show the same increase in U.S. in Germany, road traffic is up by over 22 per cent, by 30 per cent and Italy 2 per cent.

In 1968, there were 179 cars every 1,000 people in Britain. In 1970 there were 212 cars, yet still by road was getting, said the report.

There were 4.6 road deaths every 100m. vehicle/kilometre driven in Britain in 1968. The figure had fallen to 3.6 in 1969 and a similar pattern was in other countries.

Commercial interests also in road rather than rail, in only one of the 18 listed—Germany—did

CRANE FRUEHAUF SWITCH TO TUBELESS TYRES

Crane Fruehauf Trailers are now fitting their range of vehicles with tubeless radial ply tyres as standard. Tubeless tyres are available as a "no cost" option.

There is significant weight saving, dependent upon axle and wheel configurations. A typical example would be a saving of 258 lbs on a tandem axle platform semi-trailer.

These weight savings are obtained from the absence of an inner tube, flap, and the fact that a single piece wheel is used as opposed to the normal three piece.

New M6 extension will open on Monday

ARTHER 12 miles of the new extension of the M6, including the junction at Catthorpe in Leicestershire, will be opened to traffic on Monday.

The new section, from Catthorpe to the A46 trunk road near Warwickshire, is part of the Midland Links Motorway, and cost about £9m. The section of M6 between Catthorpe and Birmingham is the latest section means a new motorway between the north-eastern out- of Birmingham.

M6 is open between north and south, but the need to put safety checks on steel bridges has delayed opening of the final seven-section linking Great Barr and Birmingham. An an-

nouncement about the opening date for the remainder of M6 will be made as soon as possible. Until the whole of the M6 route is available, traffic for the north-west may either leave M1 at its junction with A5 at Crick, or continue on M1 and M6 to Coleshill, where it will leave the motorway and proceed via A446 and A5 to rejoin the motorway at Galleys in Staffordshire. These routes will be fully signposted.

The new lengths of motorway will provide an improved route between Birmingham and London for long-distance traffic, and will bring substantial relief to the overloaded A45 trunk road and serve also as a northern by-pass of Coventry.

Motorway construction work was by John Laing Construction, and the Midland Links Scheme was designed and is supervised by Sir Owen Williams and Partners, consulting engineers.

Reducing payments in new mortgage scheme

PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

SCHEME in which mortgage payments are on a reduced basis and which is claimed to be backed by a protection fund, is being introduced by the Building Society, a society near Birmingham.

The scheme has been devised by Paul Strover, of MAP, in collaboration with L. Gilroy, Blackheath's director. The other is National Mutual Life Society, which is providing the cover.

The borrower's single monthly covers the endowment and the interest to the society, both of which are similar to what with a traditional mortgage.

Under MAP most of the s are invested by the company with the society at a relatively of interest.

The society says its flow of is partially relieved pressures of the money in addition, the expenses of the insurance company are d and these savings, society, can be passed borrower by way of a rate of interest. payments of a 25-year mortgage reduce by five- tenths, after interest which are geared to the he assurance policy.

Jersey flower air "gamble" pays off

By Our Own Correspondent

EXETER, Nov. 11. FIVE OF Jersey's highest flower growers, who formed a marketing company a year ago to fly flowers to the mainland, have renewed their £30,000 contract with South West Aviation of Exeter.

Mr. Jack Roche, director of the Vanguard Growing Group, said: "Our gamble has paid off. We have proved to our satisfaction the theory that regular and well-timed deliveries of fresher flowers enables us to command better market prices. By flying the blooms to Bournemouth they are arriving at London and Midland markets less than a day after being picked." Vanguard claims to account for more than a quarter of the island's flower exports.

n. pay-out to victims of violent crime

AN £2m. was paid out of violent crimes in England increased by 200, but one man who suffered ad injuries, and will pend the rest of his pital, received £42,000. man battered with a ivad £26,578, says the injuries Compensation ort, published yester-

Im. payout was shared ople, an average award d expects to deal with s this year, but that 43 per cent and 6-9 months 20 backlog caused by the per cent.

Criminal Injuries Compensation Board Report, 1970-71; CMND 4812; SO; 181p.

IM. EXTRA PHONES MAKE TOTAL 15.5m.

There were nearly 15.5m. telephones in use at the end of September, over 1m. more than a year earlier. The total of live telephones in the homes and workplaces of Britain showed a 3 per cent increase in the six months to September 30, rising by 518,895 to a national total of 15.5m. This compares with 14.45m. in 1970.

CONTRACTS

Shall vans worth m. ordered

Motors has been from the South of Scotland Elec- Post Office contract tricity Board for rotating isolators. £15m. for over 2,000. These will be installed at the s. The majority of Board's Toverkip Power Station on phical will go to the the Firth of Clyde.

The for service with the uring branch. Deli- scheduled to begin in

Whitehead and Poole part of the Hunt and Moscrop group, is to build an aeration system for the new sewage scheme at Roch- a £300,000. order £200,000.

Search for some sort of life on Mars

The U.S. Mariner 9 and its TV cameras go into orbit round the red planet to-morrow.

David Fishlock, Science Editor, reports

THREE spacecraft launched six months ago are nearing the end of a journey to Mars of 35m. miles. If all arrive safely, three satellites will swing into orbit in the next few days, joining the two small Martian moons, Phobos and Deimos. Then earthlings will have their first TV views of a planet from as close as 800 miles.

Of the two Russian spacecraft, Mars 2 and Mars 3, we know little beyond the fact that the Russian scientists who designed their experiments are ready for a rapid exchange of findings with their U.S. colleagues at NASA's Jet Propulsion Laboratory in California. The Russians may attempt a soft-landing—a manoeuvre which, if successful, would certainly upstage the U.S. mission. They may even release a mobile robot like Lunokhod to inspect the Martian terrain at close quarters.

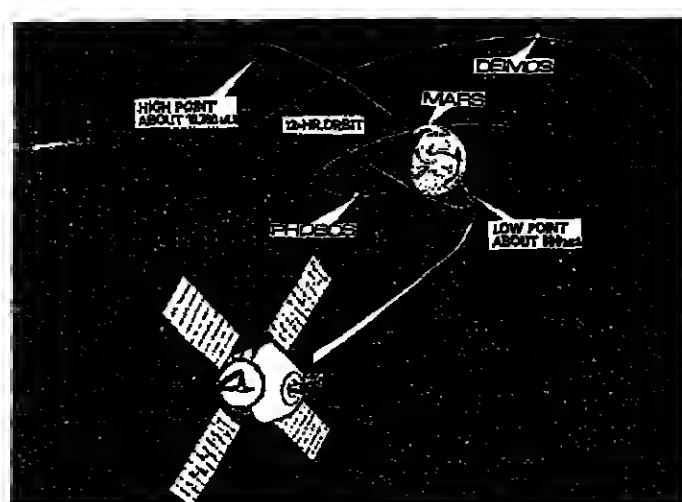
But the likelihood is that their intentions are the same as those of Mariner 9, the U.S. spacecraft which left Cape Kennedy in May. Mariner 9's basic mission is to take TV pictures of the Martian surface—more than 5,000 in its first three months in orbit, mapping more than 70 per cent of the planet's surface.

It may seem surprising, but it is the geophysicists not the astronomers, who have the most interest in Mars nowadays. Astronomers' interests have shifted from the planets to the more remote celestial bodies, while geophysicists have broadened their horizons in efforts to learn more about their own planet. They now regard the moon and other planets as home ground, as it were.

But the primary interest in Mars is still whether it supports any life. This is a very difficult question to answer, for we still have no real understanding what constitutes life. It may therefore be difficult to recognise an alien form of life, and certainly to forecast what kinds of stimuli Martian life might respond to.

Moreover, even if life is present it will probably be pretty sparse, so any signals the scientists can stimulate will be weak.

On the other hand, Mars has some points of similarity with earth. For instance, it has an atmosphere, albeit a tenuous one, equivalent to earth's atmosphere at heights greater than Concorde will fly, and composed moreover mainly of carbon dioxide. Nor is it entirely a frozen world, although its thin atmosphere affords less insula-



transport. In the low pressure of the Martian atmosphere, water could exist only as ice or vapour, with perhaps a short-lived intermediate state that may moisten the soil. If this were the case, then ice underground like permafrost, when melted in "summer," would form a cloud over the area.

Canals

If the orbiting TV cameras located such clouds and correlated them with the presence of water vapour and the right temperature span, man would have found conditions conducive to life as we know it.

In fact, two US spacecraft, Mariner 6 and Mariner 7, which flew swiftly past the planet at

towards the equator during the springtime in each hemisphere, that it is a lush vegetation stimulated by melting of the polar ice caps. But since the fly-bys, some scientists have suggested that—like the Martian canals—it is all an optical illusion.

The three spacecraft will reach Mars at the height of the dark wave in Mars' southern hemisphere. They should therefore be able to settle whether the cause lies on Martian soil, in its atmosphere, or merely in the eye of the beholder.

Good time

There are still better reasons, however, for visiting Mars at this time. The velocity required to reach the planet is lowest when the spacecraft's departure from earth and arrival at Mars occur on almost opposite sides of the sun. These conditions prevail for only a few weeks every 26 months.

Moreover, a spacecraft destined to orbit Mars must first escape from earth's gravitational field and reach an orbital path around the sun. A particularly favourable conjunction of earth, sun and planet occurs this year, that will not be repeated before 1988.

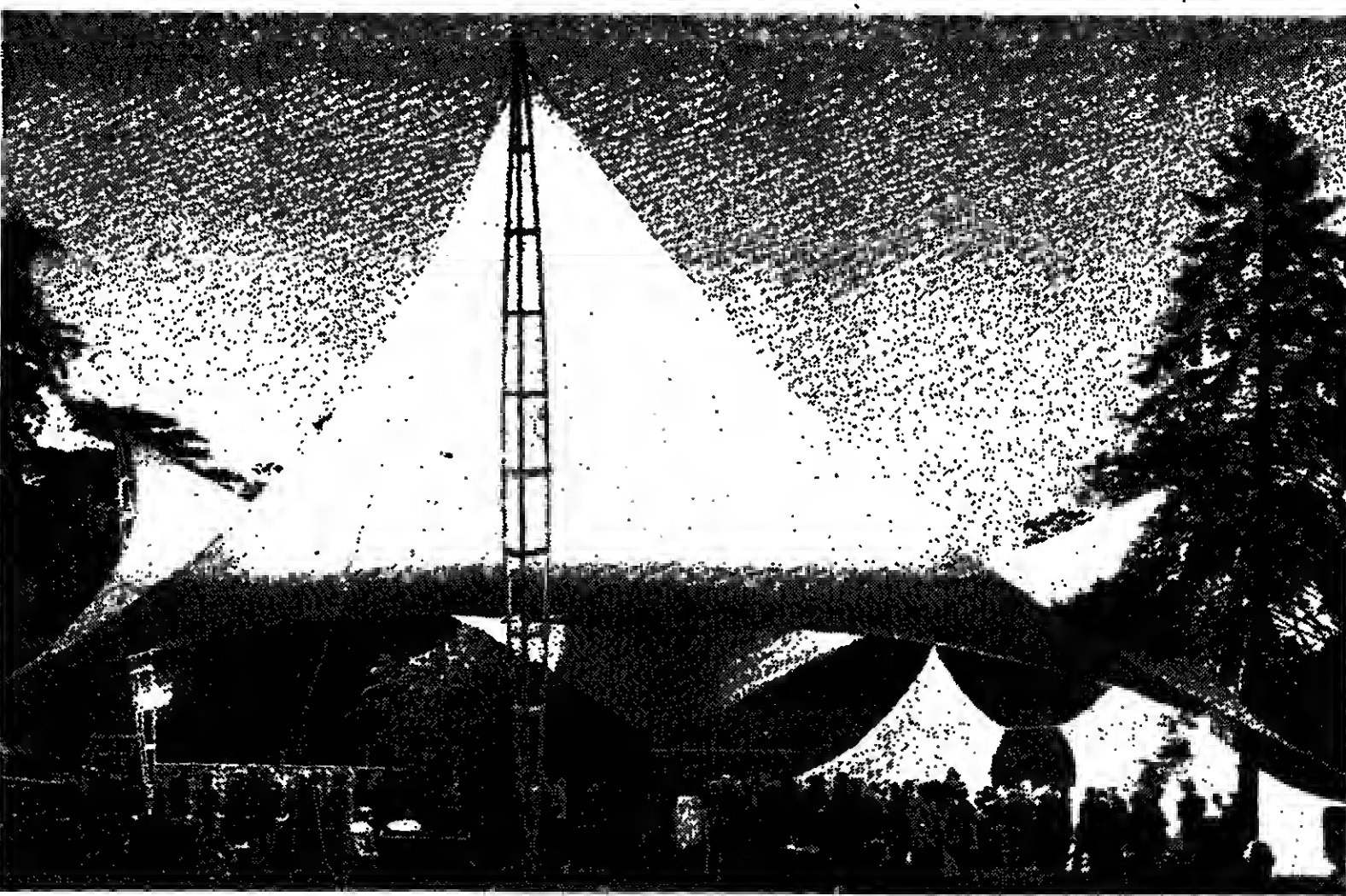
It allows the spacecraft to be injected into Martian orbit at minimum speed—an important advantage for this crucial stage of the trip.

Once in orbit to-morrow, Mariner 9 has six tasks to perform. One is to photograph across the face of the red planet and its moons, in the hope of explaining such phenomena we know it and in alien forms.

Next steps

These experiments, the Jet Propulsion Laboratory staff admit, will probably yield no direct evidence of the possibility of life on Mars. But they will help to shape still more sophisticated experiments scheduled to start with the Viking missions in 1975. These will include soft landings seeking primitive life—both of explaining such phenomena we know it and in alien forms.

Hoechst keeps thinking ahead



The Trevira high tenacity net in the grounds of the Bishop's Palace at Wells on the occasion of the 1971 RIBA Conference

Hoechst research beats the weather

Outdoor events are very much affected by the caprices of the weather. Rain-sodden sites, with the bedraggled participants about as enthusiastic as fifth formers during a history lesson, have hardly ever given rise to memorable occasions. Not infrequently, the event has had to be cancelled altogether, hardly to the delight of the organisers.

In collaboration with famous architects, Hoechst research has now developed a temporary cover that renders outdoor activities independent of the weather. Sports arenas, for example, holding up to 100,000 spectators, or swimming pools, can be protected in this way. The flexible cover is a coated fabric in Trevira high tenacity, a material of extreme strength. Rot-proof and tear-resistant and yet light-permeable and so flexible that it can be erected quickly in

bad weather. A new form of architecture has arrived. Trevira high tenacity takes sports arenas under its wings in all weathers to the benefit of all sports lovers.

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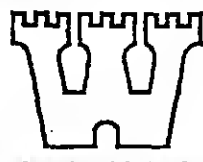
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For large practice. Ideally higher grade Inspector of Taxes or an ex-member of the colonial taxation service. Immediate Management status for the right man.

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If you are qualified, young, and wish to specialise in taxation, a large city firm offers fine prospects in a progressive taxation department. Training given.

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COMPANY NOTICES

VAAL REEF EXPLORATION AND MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

OFFER OF 5,000,000 SHARES AT 60 CENTS PER SHARE

On Tuesday, 9th November 1971, a preliminary announcement was made regarding the results of the above offer, which closed on 5th November 1971. The final figures are now as follows:

Shares	Per cent
Shares subscribed for by the public	3,368,894
Applications for shares	233,015
Shares subscribed for by the public	3,601,910
Shares subscribed for by underwriters	1,398,090
5,000,000	100.00

All applications for excess shares were met in full.

By Order of the Board

For and on behalf of VAAL REEF EXPLORATION AND MINING COMPANY LIMITED, London Secretaries & Bankers, 11th November, 1971.

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN

that the members of the above named Company will be entitled to attend the Annual General Meeting of the Company, to be held on the 12th November 1971, at 12.30 pm, for the purpose of electing directors and auditors and for the purpose of considering and voting on the accounts and the dividend for the year ended 31st October 1971.

The Order of the Board is as follows:

M. C. PAINE, Secretary

Dated this 8th day of November 1971.

11th November, 1971.

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The Executive's World

EDITED BY
DAVID PALMER

The Americanisation of Rank Xerox

BY DAVID PALMER

RANK XEROX

RE WILL never be any quite like Rank Xerox. It was formed 15 years ago with a capital of £1.2m, as a wholly owned subsidiary of an American company called Xerox Corporation. It was at that time that Sir John Davis, now Chairman, joined the company. Rank's present Chairman, Sir John Davis, recalls that he thought of Rank Xerox as a little business. By late 1969, however, the company had left the small and hit the big time in the form of the 914. Eighteen months later, the first Rank Xerox 914s were sent to the English Channel from a Rank Organisation factory in Gloucestershire that had been a brewery.

ixth largest profit earner

It was just 10 years ago, Rank Xerox was a £200m company. That places it as the largest 60 in Britain, the same sort of league as Sainsbury and Vauxhall. Its profits, its position in the market, its growth rate are now remarkable. It is the sixth largest profit earner in Britain, ahead of such giants as its machines are sold in 100 countries, with 75 per cent of its sales outside the UK. Its pre-tax profit margins last three years have been 35 and 40 per cent. This the securities analysts who such a close watch on the company are expecting what the increase in pre-tax profit will be a mere 24 per cent, instead of the more 132 per cent last year, in 1969 and 58 per cent in 1968. The mind boggles at such kinds of growth rate. Rank over as director of Production and Supply six weeks ago, says Derek Portman, Rank has grown about 3 per cent.

ess - unique, unrivalled - is the only problem Rank Xerox management

has ever had to deal with. Management does not run the company. It runs behind it. The average age of the U.K. management at supervisory level and above is 30. An on quota salesman earns £3,350 a year, a top salesman in the company could soon be pushing his earnings into five figures. It is an extraordinary atmosphere in which to work - informal yet aggressive, light-hearted yet quite ruthless. There is no room for failure, but success is a lot of fun.

Rank Xerox in brief

1956: joint company set up between Rank Organisation and Haloid Company.
1961: Xerox 914 copier introduced to U.K.
1965: Sales £27m; second factory opened at Venray, Holland.
1967: Sales £62m; Tom Law dies, Nigel Foulkes MD.
1969: Year ending June 30 - Sales £115m. December - Xerox takes over control from Rank.
1970: Year to October, Sales £163m; July - Foulkes resigns; August - Robert Pippitt deputy MD; November - Maldwyn Thomas confirmed as MD.
1971: Sales £205m; pre-tax profit £85m. (estimates by de Zoete and Bevan).

been under the control of Xerox Corporation of Stamford, Connecticut. Davis sits on the side-lines, Foulkes fell out with the Americans and left. In the very short space of two years, Rank Xerox has been Americanised. And the extraordinary thing is that this has happened with only four Americans of any consequence working at Rank Xerox

headquarters. Says Bob Pippitt, the 48-year-old American band-picked by Stamford to come and run the company: "What we're applying here are the methods that have been developing over 10 years in the States, and which we've found to work best." Amen.

The early years of Rank Xerox were dominated by the mercurial figure of John (now Sir John) Davis. "I am an entrepreneur," he says. "I believe that's how business should be run." But Davis's entrepreneurship is of a very special kind. His business philosophy is that of the elephant - charge with your head down at maximum speed, and don't worry about what is on the other side of the undergrowth until you get there. "If you're right two times out of five, you'll be successful, three times out of five, you'll be very successful, five times out of five, you'll be a menace," he says. Cynics in the City suggest that he has only been right once. But how gloriously right he was. He and Rank Xerox were made for one another.

"Every time we set a target, John Davis would double it," recalls one Rank Xerox executive. "And even then, we always beat our targets." "I was not thinking about growth," recalls Davis. "My concept was to get the product into the market before anyone else could along."

of cowboys, bursting into new territory with their guns drawn, on the cowboys, and to impose some order and control on the cowboys, and to introduce his own ideas of management structure into the company which was by now doing about \$80m. of business a year.

Meanwhile, John Davis was doing something entirely uncharacteristic - he was negotiating with Xerox to give up The Rank Organisation's voting control of the fastest growing and most profitable company outside the United States. "We felt that the Xerox had to control

management struggle with the rather lonely figure of Foulkes set against the battalions of Xerox.

Foulkes "took the tablets of stone and broke them one by one as they were handed down from Mount Rochester," recalls a Rank Xerox Board member. Foulkes wanted to retain his independence, and saw Rank Xerox being run as a self-governing dominion within the

praising, Xerox was having none of it. The chart shows how Xerox filled the vacuum that Foulkes left behind. The key box is the one in the centre, occupied by Bob Pippitt, a genial American who has all the line management reporting directly to him. (He also incidentally designed the chart). Maldwyn Thomas, who was company secretary under Foulkes, has been elevated to chief executive, with formal responsibility for liaison with America. This was a job that needed a diplomat to fill it. Thomas, a soft-spoken Welsh lawyer, who had held himself aloof from the struggle surrounding Foulkes, was a shrewd appointment.

Thomas and Pippitt have collected around them men ready to accept and operate an IBM-type management system. Alex Park, who heads the key staff department of Planning, Information and Control, with Rank Xerox in 1968 from Cummins Engine and was previously with Monsanto. Down the line are two former Ford men - Hamish Orr-Ewing, who runs the British marketing operation, and Don Shryane, who runs the planning and manufacturing operations. "I found," says Orr-Ewing, "that my natural place was in British companies with close U.S. associations."

Here are some of the changes that have taken place: **MARKETING** - The marketing cowboys used to be on a very free rein. Local managers were told to develop markets, which meant expand as fast as possible. Now sales costs are being watched much more closely. "The Americans have begun to control the amount of resources needed to obtain a given marketing result."

In the U.K., Orr-Ewing has radically altered the salesmen's pay system. Now there is a steeply rising incentive curve for salesmen who reach their quota. The new system "penalises the indolent," says Orr-Ewing. The management style has changed from a soft approach to a harder approach, says another executive.

CONTROL SYSTEM - Alex Park's Planning, Information and Control department is the linchpin of the new organisation. Twenty business graduates have been hired into Rank Xerox in the past two years, and the great majority have found their way into the PIC. Here the monthly financial, product and manpower data from the operating companies is brought together, fed into computers, analysed for variances and trends. Five MBAs are employed on "product and

strategy analysis," building models of future markets, working out the effects of competition (which Rank Xerox has only recently begun to notice). "We are trying to pitch Headquarters towards a support position," says Paul Allaire, a 33-year-old American who is Park's number two.

THE ROLE OF HEAD OFFICE - In the early days Head Office kept a tight control of funds, but in most other respects left the operating companies to run themselves in their own way. The new control system represents a substantial shift of power from the cowboys out in the operating companies to head office. Says Bob Pippitt: "Operating companies were not being provided with enough direction," and he cites examples of pricing and contractual terms varying from country to country. Now, if there is a difference of opinion between an operating company and head office, "we will suggest very strenuously that general managers will adopt our opinion." Alex Park describes this system as "the facade of democratic government" with "an autocratic streak running through the middle."

Tougher than two years ago **MANAGEMENT STYLE** - Rank Xerox today is a tougher company than two years ago. Fifty middle and senior managers have been "displaced" in the past year. Nobody was ever fired at Rank Xerox before. "We used to be tolerant of very mediocre standards. There has been a break put on Parkinson's Law."

It is an article of faith among most of British management that this Xerox-IBM type of control system is the best available, particularly for a multi-national company. Nevertheless, introducing it, particularly into the cowboy atmosphere of a company like Xerox, is far from a painless process. "We have had a lot of reaction from the European companies where the hard sell has gone against their basic instincts," says a senior personnel man. And it has been a difficult period of readjustment for many of the senior men at head office. The success of the changes will be judged by the future performance of Rank Xerox, as it enters new markets outside the xerographic field, and as it meets more and more competition from such powerful rivals as IBM.

thesaurus of computer argon from NCC

ANCIAL TIMES REPORTER

NATIONAL - Computing is introducing a new series of Computing thesauruses, which consists of a red list of key words that used to index information put on computer applications. This information can be technical literature, hardware, information, present the NCC Thesaurus is over 1000 key words continuously being updated by the addition of new and relationships. available in the standard us format and is common with other leading libraries to provide indexing of computing opportunities and problems arising from the enlargement of the topics and on applica-

Joint course for EEC managers

LONDON AND Manchester business schools are joining forces to hold a three-day top-level business conference in Lausanne, Switzerland, in November 1972. The conference will explore, in management rather than political or governmental terms, the opportunities and problems arising from the enlargement of the EEC.


Australian consultants association

ELEVEN management consulting companies in Australia have recently joined together to form an Australian Management Consultants Association (AMCA). The member firms employ about 400 consultants and do about 70 per cent of the management consultancy work in Australia. PA Management Consultants, one of the AMCA members, claims to be the largest consulting company in Australia with more than 250 consultants. P-E Consulting Group, and the management consulting divisions of Cooper Bros. and Price Waterhouse, have also become members of AMCA.

Make films—make profits

BY TERRY DODSWORTH

IN WHAT business could you make a product on a bunch, estimate your annual market by a wild guess, and then exceed your forecast within five weeks of beginning production? The answer is—obviously—the film industry. The example, however, is drawn not from the world of the lavish entertainment spectacles, but the more pedestrian business of management films. The film which made such a hit in the company Boardrooms was *Management by Objectives*. It was made 24 years ago by a small division of Pathe under the direction of a young research worker called Richard Dunn. Dunn, who is 28, is now head of EMI's Special Films Unit, following EMI's take-over of Pathe's parent, the Associated British Picture Corporation.



Where do we want to go?
What return on capital?
What business should the company be in?
What operating results should be aimed for?
How do we balance interests of Shareholders, employees, customers?
Overall objectives, strategies and policies.

From Focus the Future

Surprisingly

Surprisingly, before Dunn came along, the management film market in Britain had never been properly tested. Virtually the only films around were American products, made by teachers like Herzberg and Drucker. But *Management by Objectives* turned out to be a money-spinner, showing that there was a market in Britain, and a market for British-made management films overseas. It cost Dunn £20,000 to make, and in the last 30 months has brought in £80,000 in print sales and royalties. It has been translated into five languages and 1,000 copies have been printed, many of them overseas. And it is still going strong.

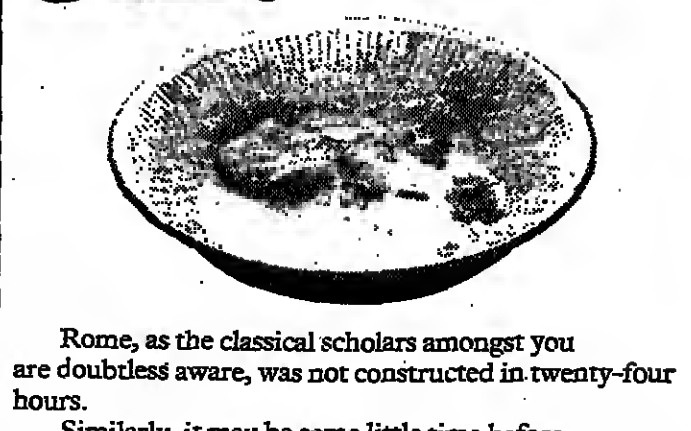
Why has *Management by Objectives* been so financially successful? First, it was aimed at managers, the one identifiable mass market for training films in industry. Unlike the operative training films, which were limited to groups of men in specific industries, it cut right across industry lines. Secondly, it used John Humble, the consultant who had popularised the technique in the U.K. Thirdly, it hit the market at the point when managers all over the country were hungry for more information on MBO.

Techniques

The series has just been completed with a film on long-range planning called *Focus the Future*. There have been three techniques - *Job Performance*, *Management Review*, and *Management Training*—because managers wanted more detail on how the system worked. There has also been a realistic story, *Colt-A Casa History*, about the beating and ventilation company. The films have generally been made around a dramatic incident, using professional actors. *Focus the Future*, for example, takes us into the Boardroom of a medium size company struggling towards the long-range planning idea. Dunn wanted to make them like this rather than as filmed lectures, the technique that has been more frequently used in the U.S.

They have also been pitched deliberately at managers in middle range firms, so the language and concepts are never difficult. Again in marketing terms this has been successful: consultants and teachers say the average manager responds well to them and like the dramatic situation. Most working managers prefer the fictional films to the "real life" one on Colt—which, on the other hand, is the favourite with the academics and the business schools. One of the spin-offs of the series has been a heightened awareness of the use of

Crunch up the crisps and check out.



Rome, as the classical scholars amongst you are doubtless aware, was not constructed in twenty-four hours. Similarly, it may be some little time before KlosterPrinz—that deliciously crisp, slightly dry Moselle, that Prince of Piesporters, that perfect compliment to any meal—is available in every fine restaurant in the land. What can you do to help? Simply this. Walk into any restaurant, ask to see the wine-list before you look at the menu, and if there's no sign of KlosterPrinz, summon up the sort of resonance employed by Sir Laurence in the address before Agincourt and say: "What's this? No KlosterPrinz? Has everybody gone mad?" Then, while minds are bogging all around you, crunch up the crisps and check out. Now, some of you may well regard this as an odd way for the British to behave.

But that really depends on whether you believe in the end justifying the means. A point on which KlosterPrinz connoisseurs would be quick to give reassurance: it's well worth fighting for.



KlosterPrinz

Coleman & Company, Norwich and London. Shippers of fine wines since 1887.

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<input type="checkbox"/> I know the real cost in my time of producing a 200 letter?	<input type="checkbox"/> Is your typing centre fully employed?
<input type="checkbox"/> I know; is the cost less than 50p?	<input type="checkbox"/> Have you considered leasing as the alternative to buying office equipment?
<input type="checkbox"/> I wish to write a letter can I actually dictate in less than 10 seconds?	<input type="checkbox"/> Just one tick tells you there's something you need to do about cutting costs in your office. More than one and your need is really urgent. The first thing to do is to complete and post this coupon. Today. And we'll rush you details of Philips System of the Seventies. The dictation machines and note-taking equipment for people who want to cut office costs.

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Labour—the Centre to the rescue

BY DAVID WATT, Political Editor

Y JENKINS' triumph in the round of the Labour Party's Deputy Leadership elections marks the return to a position that we have all been waiting for. As so often before, the old wagon, after much tugging and pulling, has been brought screeching to a halt with no more than one tel-banging over the top. Again, as usual, it is not the coachman or footman who have applied the brakes but the normally silent and inoffensive passengers—the solid moderate core of the Party.

Mr. Jenkins' (Foot 96, Benn 46) will be easily interpreted, but they the story nonetheless—particularly if they are compared with last year's results. The core of Mr. Foot's support have been the Left-wing of 67 who voted for him a year ago. The solid basis of Jenkins' vote must have come from the 90 or so MPs who strongly enough about the set issue to vote with the argument or abstain on her 28.

Heer ability

There remains 125 votes of loyalists or positively anti-Left Centre and Right. Of about a third went to the candidate, Mr. Benn (as he normally is expected) the other two-thirds were between Mr. Jenkins and Foot in the proportion of three to two.

It did these 50 MPs hail Jenkins out—and also, for matter, Mr. Douglas

Houghton, who would have certainly lost the Chairmanship election without their assistance? Clearly it was for a large variety of mixed motives—of which three were probably uppermost.

Firstly, in Mr. Jenkins' case, appreciation of sheer ability. It is an old truth in politics that no man is indispensable, and it is also true that scoring off Mr. Anthony Barber this last 12 months has been as cruel and easy as taking pennies from a blind man's tray. All the same, there has been a force and authority about Mr. Jenkins' performance which no Labour loyalist who is not blinded by prejudice wants to see the Party deprived of.

Furthermore, although I doubt whether Mr. Jenkins really quite realised what he was getting in to when he started off on his present course early this year, he has handled the crisis in his career when it came upon him with a coolness and moderation which has contrasted very favourably with the frenzied shilly-shallyings of some opponents and colleagues.

The second motive has less to do with Mr. Jenkins personally or his views than with the state of the Party if he should lose. A lot of moderates in the centre have realised that if Mr. Jenkins was banished to the back benches he was bound to become the focus of a powerful splinter group, not simply on the Common Market but on a wide range of issues.

A number of Mr. Jenkins' supporters were almost re-living this prospect, and now fear that he may become the prisoner of a predominantly hostile Shadow Cabinet and National Executive. But there were others who could see that to the Left in the Labour Party is a bit exaggerated. The trade unions have become more militant and the two largest are in the hands of the Left. The col-

matter of some importance. I persist in my basic belief that the talk about a massive lurch to the Left in the Labour Party is a bit exaggerated. The trade unions have become more militant and the two largest are in the hands of the Left. The col-



Mr. Jenkins: handled the crisis with coolness.

stituency parties have also moved rather Leftwards as a result of disillusionment; and the combination has made the national executive even drier than usual.

But it has still to be shown that the Parliamentary Party has moved far in the same direction. The Jenkins result suggests that the shift (if there

is one) cannot be very profound. But that does not mean that it could not be quite critical in terms of power. The Shadow Cabinet elections in two weeks' time will provide a more definitive answer and determine where the balance in policy-making and tactics will lie.

The present Shadow Cabinet is extremely finely balanced. On the Common Market it is split into roughly three equal parts—five being "pro," five being "anti," and five being various degrees of agnostic. In old Left-Right terms the picture is slightly different with a fairly strong bias to the Right (perhaps 7 Right, 5 Centre, and 3 Left). But however you look at the situation, it would require only two Right-wing losses to completely alter the picture both on the Market and on the other issues—nationalisation, unfettered trade unionism, promises to repeal Tory legislation, workers control and so on—which the Left wishes to foist on to the Party if it gets a chance.

It seems very likely that Mr. Lever and Mr. George Thomson will suffer for their pro-Market sentiments and in ordinary times one might predict that Mr. Hoffer, a Left-winger, and Mr. Reg Prentice, an old Galt-skellite trade unionist, who were the two runners-up last year, will probably get on. But unfortunately the situation is made completely unpredictable by the fact that for the first time for a generation members of the Parliamentary Party, in direction. The Jenkins result suggests that the shift (if there

will be allowed to put down as few as they like. The old rule was always supposed to help the Right and the existing incumbents, while the new rule (a reversion to an even earlier practice) is supposed to favour the Left and those trying to get on for the first time.

The reason for this is that the Left is more tightly organised and will be better at concentrating its votes where they will do most good, and conversely that the ordinary rank-and-file MP in the Centre will no longer boost the votes of the existing leaders with obligatory votes which he did not quite know what to do with.

In this new free-for-all situation strange things could happen—and none of them are likely to be very favourable to the Right. If one looks down the list of last year's candidates past Mr. Hoffer and Mr. Prentice, one comes up three men who are out of it for one reason or another this year—Sir Elwyn Jones, Mr. Richard Marsh and Mr. Michael Stewart. After that we come to Mr. Ian Mikardo.

Sir Alec's trip spells trouble

Since some of my predictions in the past—notably at the time of the last election—have not been (shall we say) 100 per cent. accurate, I take some

pleasure in having forecast at the beginning of September that Sir Alec Douglas-Home would go to Rhodesia in the first half of November. However, this pleasure is strongly mingled with disquiet when I recall what officials and politicians told me at that time. The salient points of the discussion then were as follows.

1—Sir Alec himself has hankered after going to Salisbury since at least July. He wishes, before he lays down the Foreign Secretaryship, to settle an affair for which he himself feels some historical responsibility; and he believes he has a better chance than anyone else of coping with the Smith regime.

2—He has been thoroughly encouraged in this course by the Prime Minister and the Government's business managers, who saw a trip sometime this autumn as the best way of defusing a possible Conservative revolt over the renewal of sanctions.

3—Sir Alec has been restrained throughout the summer and his scepticism maintained as the result of counter pressure from his friends and officials—his friends being afraid that the trip might turn out a fiasco and his officials that he might be "conned" by the wily Rhodesians.

Although they have had to cope with Lord Goodman's perennial optimism and Sir Alec's own penchant for concocting "break-through" for mule on the back of envelopes, these advisers thought that they

had established that Sir Alec would not go unless the deal was buttoned up in advance. But at the same time there had been sufficient movement on the Rhodesian side to lead some of them to hope that such a "buttoning up" would be achieved by this month.

Such was the basis of my forecast. But something has obviously gone wrong with this scenario. Either we are being misled by the Foreign Office when they say that no breakthrough has occurred; or else Sir Alec (with the encouragement of Mr. Heath and Mr. Whitelaw) has broken loose. Of these two explanations I incline to the second, in view of the extremely gloomy leaks coming out of Whitehall three or four weeks ago.

Pressure

But one thing we can be fairly sure about—namely, that the trip spells trouble. Either Sir Alec will reach an agreement—which will, in the nature of things, be quite unacceptable to the black Commonwealth and to the UN—or else he will break off the talks definitively, in which case the pressure from the Conservative Party to remove sanctions and face almost identical repercussions will be come overwhelming.

So long as there was a possibility of a settlement, sanction could be observed in name (even if they were manifestly withering on the vine); once a settlement is seen to be impossible, the only argument which most Conservatives find at all convincing will be destroyed.

Labour News

Union warns miners to avoid clash

ALEX HENDRY, LABOUR REPORTER

RS' LEADERS sent out a needed before, official strike notice to their action can be taken. But Mr. Joe Gormley, president of the National Union of Mineworkers, said yesterday: "If the Board does not improve its offer I'm convinced some areas will come out on strike regardless of the ballot result. We will not do anything to discourage them."

The overtime ban, now in its second week, is believed to be cutting-back production by about 500,000 tons a week valued at £3m. Stocks of coal at the pit-head, with merchants and the Central Electricity Generating Board are high. The CEBG said yesterday it had 10½ weeks supply.

Mr. Gormley said yesterday that he was suspicious of the NCB's failure to approach the union since talks broke down last month. The Board has offered 7.1 per cent in reply to the union's claim for increases of up to 45 per cent.

TANKER STRIKE SHUTS SCHOOLS

Five schools were closed yesterday, and it is expected that at least 4,000 more children in Staffordshire and Warwickshire will be sent home to-day, because their schools' heating systems have been closed down.

The trouble has been caused by a strike of 52 tanker drivers and fitters at the Amoco depot at Kingsbury, oil terminal, Tamworth, Staffs., over the delivery of supplies by contractors.

Engineering unions face to pay battle

MICHAEL HAND, LABOUR CORRESPONDENT

YORK, Nov. 11. CREATING a gap so big that it will bring 25m. manual workers facing up to the national negotiations—as that next week will see the beginning of a tough battle on pay and conditions, on the one hand, and on the other, a time when the new relations legislation would prefer to see a new minimum agreement laying down minimum pay and conditions, which they can build up earnings in plant bargaining, they are preparing for the possibility that if there is a breakdown in talks they will have to pursue their demands with individual employers; as the draughtsmen have been doing since the beginning of this year.

CAR ASSEMBLY STRIKE GOES ON

The pay strike by 130 engine assemblers at the Austin-Morris car plant in Birmingham is to go on for a seventh week, a meeting decided yesterday. The strike, which has the official support of the engineering union, has already caused British Leyland to lose 10,000 MGE sports cars and 1900 saloons worth more than £10m. and led to 2,600 at five factories being laid off.

Other labour news, Page 26

More sharp falls in steel demand put back BSC recovery hope

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

FURTHER SHARP fall in U.K. steel production and demand are shown in statistics released yesterday, and Lord Melchett, the British Steel Corporation's chairman, now doubts whether there will be any real recovery until the second half of next year.

Steel production fell to an average of 438,900 tons a week last month. This is over 10 per cent less than in September, which averaged 489,000 tons a week, and more than 23 per cent less than the 571,200 tons in October last year.

An equally discouraging picture emerges from provisional statistics on demand issued by the Department of Trade and Industry.

Consumption of finished steel in the third quarter of this year is estimated at 3,965,000 tons, after seasonal adjustments. This is the first time demand has fallen below 4m. tons in a three month period since 1967.

Industry is continuing to reduce its steel stocks, as it has been for most of this year. Stock reduction between July and September is estimated provisionally as 123,000 tons, after seasonal adjustment. But because of the reduced rate of demand, stocks still stand at the equivalent of 14½ weeks' consumption, compared with the 12-13 weeks considered normal.

A senior BSC management official told me: "We all read that production in the car industry has been picking up, but we are not sure how it has been done unless they have learned to make cars without steel."

"Hopefully, we expect the stock run-down to stop by the end of this year. There are faint signs of an improvement in demand for some steel products, but it is very marginal. So far there is no evidence of any recovery in investment."

Lord Melchett admitted that low demand has had a worse effect on the BSC's profitability than was expected at the start of the current financial year. Fortunately, however, the Corporation had benefited more than it thought it might from substantial cost reductions and operational improvements. The likely effect of these opposing factors is that the BSC's loss this year will be of the order of £10m., a figure forecast earlier this year. Price restraint has also made it difficult for the BSC to finance essential capital investment out of its own resources.

It is believed that the Government has recognised this problem and that the Steel Bill, which is

likely to be presented before the Christmas recess, will contain provision for the Corporation substantially to increase its present borrowing powers, which are limited to £550m. It is also possible that the Government will be persuaded to write-off some of the Corporation's debts.

Earlier this year there were indications that the Corporation wanted its accumulated deficit of £40m. or as much as £200m. of its public dividend capital holdings of £700m. written off.

Lord Melchett expects the second stage of the Government's deep-seated review of the steel industry to be indicative, rather than precise.

Mr. John Davies, Secretary for Trade and Industry, is likely to make an interim statement on the BSC's shorter-term development plans over the next two or three years rather than a definite statement on whether and when any new large-scale investment should take place.

Therefore, BSC and Government thinking on where any brownfield or greenfield investment will take place, and whether development partnership should be entered into with European producers in the U.K. or on the Continent, is not likely to emerge before the middle of next year.

Marginal September rise in U.K. industrial output

BY MICHAEL CASSELL

THERE are still no signs of any significant upturn in U.K. industrial output, although the situation in September was marginally better than the previous month.

The Central Statistical Office announced yesterday that during September the official production index rose on a seasonal basis from the revised August figure of 126.1 (1965=100).

For manufacturing industry alone, the rise was greater—from a revised August figure of 127.4 to 129.3.

In percentage terms, the figures mean that, after showing little change between July and August, industrial production is provisionally estimated to have risen by about 0.75 per cent between August and September. Within the total, manufacturing

output rose by about 1.5 per cent.

The generally more reliable three-monthly comparison shows an 0.1 per cent increase in production between the periods April-June and July-September. In the third quarter, therefore, production as a whole was probably about the same as in the second three-month period, but manufacturing output is estimated to have been around 0.5 per cent higher.

The differences in the growth of industrial and manufacturing production between the two quarters is largely due to lower mine and quarry output and to movements of output in the gas, water and electricity industries, mainly as a result of the weather pattern.

Output by engineering and allied industries is provisionally estimated to have fallen by 1.3 per cent between the second and third quarters, providing little room for any suggestion that the Government's efforts to stimulate expansion have, so far, had any effect. Steel went up 1.5 per cent. A slightly brighter spot would appear to be in the textile, leather and clothing sector where output rose by 1.6 per cent.

The feeling within Whitehall is that the latest CSO figures provide very tentative evidence that overall production may be beginning to pick up. But although there is some optimism, a more substantial and prolonged upturn will need to be seen before any claims of a revival are forthcoming.

Saleroom Furniture fetches £108,008

IN A SALE of English furniture at Christie's yesterday, a pair of George III satinwood semi-circular side cabinets sold for 4,500 gns. and a George III parquetry secretaire cabinet for 3,800 gns. Both to a private buyer. The total was £108,008.

A set of six George III mahogany open armchairs sold to Turpin for 3,600 gns. an early George III giltwood over-mantle in the style of Ince and Mayhew to Jeremy for 3,500 gns. and a George III mahogany single manual baryscord by Jacob and Abraham Kirkman, 1785, to a private buyer for 2,200 gns. An early Kashan carpet went to Perez and an Istanbul silk rug, c. 1910, to C. John, each for 2,600 gns.

At Sotheby's a silver sale realised £34,839. Freeman and Kooman each gave £3,200 for a 30 oz. Charles II chinoliserie tankard and for a 19½ oz. Elizabethan cylindrical tankard respectively.

Sotheby's afternoon sale of 18th, 19th and 20th Century drawings and water-colours totalled £5,359.

At Sotheby's Belgrave, a sale of glass, ceramics and works of art realised £23,196. Tillman gave £520 for a Berlin porcelain plaque of an old woman after B. Denner, and Ryan £520 for a pair of 17th century ormolu-mounted vases in Louis XVI style. A. and F. Gordon paid £470 each for two large Canton "famille-rose" bowls. Aitken £300 for a Martinware plaque modelled by R. W. Martin, and Dennis £255 for a set of four cameo-glass salts and spoons.

At a £12,385 sale of paintings at Bonham's a coastal scene by David James went for £370, and a sailing ship by George Gregory for £250, both to Meddows.

A sale of books and manuscripts at T. R. G. Lawrence and Son's Crenkree rooms realised £6,101.

Examining export credit

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT is to set up a joint working party to examine long-term export credit facilities. It is to consist of representatives of the Bank of England, the clearing banks and relevant Government departments.

Lord Drumalbyn, Minister without Portfolio, told the Lords yesterday.

What had made this move particularly urgent was the recent

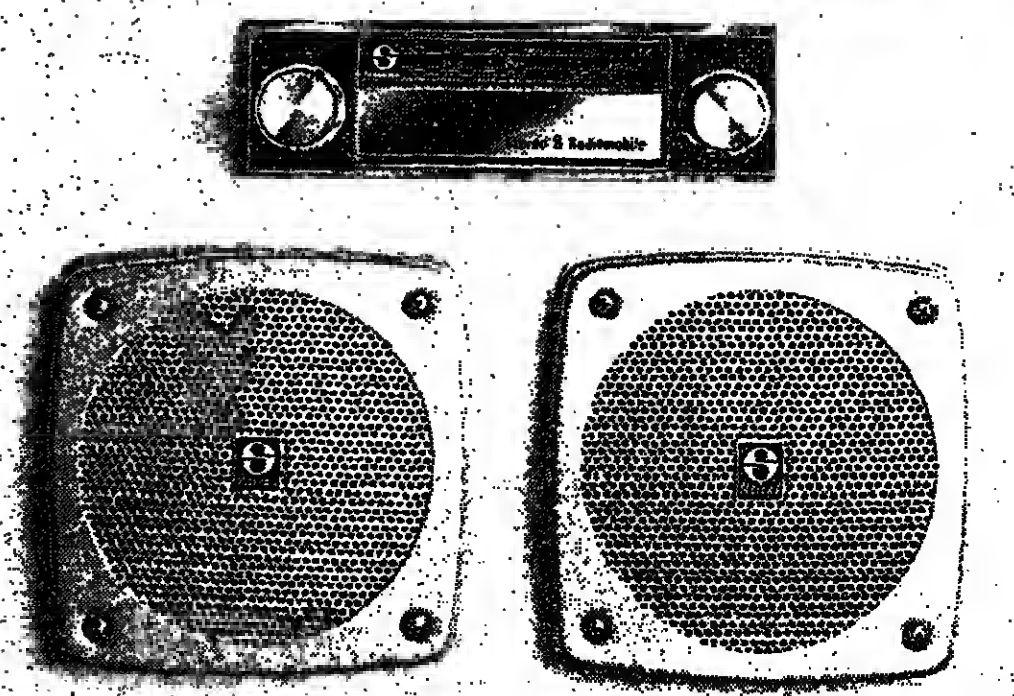
protectionist action of the U.S. The Minister told the Opposition. They had asked why it had only now been possible to set up proposed working party since the Chancellor had announced the Government's intentions for export finance arrangements 10 months ago.

Lord Brown from the Labour side suggested that this really was an urgent matter because of

monetary instability prevalent to-day. Large engineering firms in the export field had no stable rate on which to price quotations, he contended.

Lord Drumalbyn assured the House that the working party was getting on "with all possible dispatch." He further explained that the Government's policy was designed to relieve the effects of the current lack of liquidity.

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INTERNATIONAL COMPANY NEWS OVERSEAS MARKETS

Fiat denies responsibility for labour strife at SEAT

BY OUR OWN CORRESPONDENT

ITALIAN motor-car workers are currently trying to establish the degree to which Fiat can influence the behaviour of the SEAT company in Spain. This follows the two-week lock-out at SEAT's Barcelona plant last month, during which one worker was shot dead by police and many arrested.

A group of Spanish trade unionists, including some from the SEAT plant, visited Italy last month to see the labour situation in Spain and were assured of solidarity from Italian unionists.

Fiat has been very embarrassed by the events in Spain, as it has close links with the SEAT company, which produces Fiat models under licence. It is afraid that anger over the treatment of automobile workers in Spain may lead to a deterioration of labour relations at its Italian plants, which are currently working normally after two years of strike interruptions.

In a letter to the trade unions published to-day, Fiat said the Spanish company is completely autonomous and Fiat has no control over its activities. Fiat is merely a minority shareholder, while also supplying technical information and assistance in the same way as to other countries, such as Poland, Turkey or Egypt, the letter said.

The attempt to connect Fiat with the events in Spain is therefore without foundation, it added.

Fiat has been pasted up in several Fiat factories denouncing the company for its alleged complicity in the labour troubles at SEAT, and Fiat denounced these as provocative.

Int. Nickel plans revival of N. Caledonia Cofimpac

BY OUR OWN CORRESPONDENT

MONTREAL, Nov. 11.

INTERNATIONAL NICKEL Co. of Canada expects to present the French Government with a new partnership project to take over the dormant Cofimpac development in New Caledonia. Mr. A. L. Gagnon, Inco's President, said the new partnership would mean that Inco would have at least a 70 per cent. controlling interest in the project, with the balance split among European partners. Originally, Inco had a 40 per cent. equity in Cofimpac and was committed to put up 50 per cent. of the investment funds because of French rules for ownership of New Caledonia resources. Gagnon said the new plan had been worked out at the invitation of the French Government, and there was every hope of co-operation from Paris in getting the development moving again.

The new plan would avoid certain problems of control. Both he and Henry S. Wignate, Inco's chairman, indicated strongly that Inco is highly interested in developing both New Caledonia

and Indonesian sources of primary nickel.

Inco has a joint interest in a small Japanese refinery, and is also very interested in developing sales of semi-processed nickel to the Japanese stainless steel and alloy industries. Earlier, Wignate suggested Inco may have to make further cutbacks of production in its Canadian mines in 1972 because of Free World overcapacity in nickel.

A dividend cut was ordered last August and a further 15 per cent. last week.

SIAM DI TELLA CONTROL CHANGE

BUENOS AIRES, Nov. 11.

ARGENTINA has acquired a controlling interest in Siam di Tella, one of the country's largest industrial groups. It had been the company's largest creditor. Siam di Tella operates engineering plants and is the biggest producer of seamless steel pipes in Argentina.

AP-DJ

BASF 9-month profits tumble 30% to DM317m.

BY MALCOLM RUTHERFORD

BONN, Nov. 11.

PRE-TAX profits of BASF, one of the top three German chemical companies, dropped to DM317m. in the first nine months of the year—more than 30 per cent. down on the comparable period of 1970. The fall for the year as a whole, however, is likely to be rather less severe since the company had an exceptionally high final quarter last year, which will not be repeated this time.

The profit decline compares with a further, though gradually slowing, rise in sales, which were up 5.5 per cent. to DM5,767m.

As has been the pattern for some time, the BASF group continues to do much better than the parent company, especially through its subsidiaries abroad. Group profit before tax was down only five per cent. to DM408m. and could well be up for the year as a whole. Group sales rose seven per cent. to DM5,272m.

The group's fixed asset investment in the period, however, dropped 50 per cent. to DM581m. For the parent company alone

it dropped 60 per cent. to DM231m.

The parent's poor third quarter performance, which follows some improvement in the second, is attributed overwhelmingly to the de facto revaluation of the D-mark.

HK LAND BIDS FOR HUMPHREYS

By Our Own Correspondent

HONG KONG, Nov. 11.

HONG KONG Land and Investment, the large-scale property company in Hong Kong, today made a surprise agreed take-over bid for Humphreys Estates and Finance, a smaller property concern.

The terms of the offer were three HK\$ shares for each Humphreys share, with HK\$1.25 in cash. This put a valuation of HK\$1.175 on each Humphreys share. At the close last night, Humphreys were standing at HK\$1.40 a share. The total value of the bid is HK\$11m.

VW confirms dividend cut

BY MALCOLM RUTHERFORD

BONN, Nov. 11.

VOLKSWAGEN confirmed to-day that there will be a sizeable cut in the 1971 dividend from the 1970 level of 1.20 DM per share. The company also promised an early letter to shareholders on the current business situation.

A dividend cut had already been strongly hinted at by Kurt Lotz, the former VW chief, at the AGM in July, but this is

the first time it has been publicly confirmed under the new leadership of Herr Rudolf Leber.

The shareholders' letter should give new insight into VW's deteriorating profits situation. Net profits fell last year by 42 per cent. to DM1,000m. and the company said before his departure that they would be down again in 1971.

Others

● MITSUBISHI AND CO. after profit for six months ended September 30 fell to Yen 3,054m. from Yen 3,706m. in previous six months. Gross sales increased to Yen 2,043,843m. from 1,820,975m. Company declared unchanged dividend of Yen 3.5.

● TOBACCO INTERNATIONAL, the U.S. distilling and manufacturing interest, is to expand its Bahamian subsidiary, Tobacco International, The Freeport, Grand Bahama company began operations seven years ago, and import and export sales now total \$6m. annually.

● SUMITOMO METAL INDUSTRIES cut dividend for six months ended September 30 to two Yen from Yen 2.5 paid for the preceding half year, on lower profit after tax of Yen 3,341m. (4,711m.) from Yen 4,711m. (6,711m.).

● The first half of 1971 sales of 222,789m. (224,562m.).

Net profit per Ordinary share, adjusted on a basis of accounting principles generally accepted in the U.S., is estimated at \$12.12 (\$6.62) for the period January to September, 1971, and at \$15.30 (\$8.58) for the first nine months of 1970. Assuming conversion of all outstanding convertible debentures, the adjusted net profit per share for January to September, 1971, would be \$15.30 (\$8.58) for the first nine months of 1971, and \$15.11 (\$8.45) for the first nine months of 1970.

On a per-share basis net earnings for the nine months of 1971 were down from \$15.08 to \$15.03 and for the nine months the reduction is from \$15.01 to \$15.07.

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Sales in the third quarter totalled \$12,985m., compared with \$12,985m. for the third quarter of 1970. The first nine months of 1971 sales were up to \$15,115m. (15,145m.). Trading profit was \$1,249m. (1,298m.), making \$172m. (172m.) for the nine months. Sales of \$2.82 (\$2.82) making 6.4 (6.5).

9 months

Jan. 1971 Jan. 1970

Sales 15,115 15,145

Trading profit 1,249 1,298

Other income and charges 230 303

Profit after tax 1,579 1,601

Non-current assets 1,354 1,354

Net assets 1,354 1,354

Net assets 1,354 1,354

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ROHR CORPORATION

A plague year of troubles

BY ART GARCIA, CALIFORNIA CORRESPONDENT

THE CHARGE early this month by the U.S. Air Force that engine mountings on seven of its 47 Lockheed C-130 cargo planes were cracked before they left the factory may be the latest in a series of engineering difficulties to afflict Rohr Corporation, major sub-contractor on projects that were supposed to generate huge profits but instead have created giant corporate headaches.

All C-130s, the world's largest and most complex plane, were grounded in October after an engine on one fell from the wing while the plane was still on the runway, a mishap blamed on cracks in the pylons that hold the engine to the wing. Rohr is the sub-contractor for these pylons. The cracked pylons on the seven C-130s "all apparently derived from improper fabrication during pylon manufacture," Air Force Secretary Robert Seamans said in a status report this month to Congress.

Rohr has countered by saying that its own investigations show no evidence it had delivered engine mountings pylons for the C-130 with cracked or defective parts. While the controversy and probe investigations continue, the incident is notable as another in a list of troubles that have of late plagued Rohr, one of America's pioneer aerospace sub-contractors.

Just over a year ago, Rohr officials were talking glowingly about record profits, all-time sales highs and major acquisitions and compared to the same period in planned diversification out of the vagaries of defence budgets and airline earnings. In 1969, Rohr said before his departure that they would be down again in 1971.

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In the year that ended on July 31 this year, Rohr's sales did increase, but the development of a new record high, climbing to \$355.6m. from the \$288.3m. of fiscal 1970. But profits nose-dived to \$4.6m. equal to \$1.15 per share, from fiscal 1970's record \$10.8m. or \$2.82 a share. The reversal was sudden and in sharp contrast with the accomplishments of the previous fiscal year.

That was the year Rohr, listed on the New York Stock Exchange and based in the San Diego suburb of Chula Vista, had delivered on schedule the first McDonnell Douglas DC-10 tri-jet airliner; won a \$9.5m. contract to produce U.S. Navy landing craft, which gave Rohr its first major military products award; and secured a controlling interest in the U.S. subsidiary of two French concerns and rights to use the French technology to develop and produce guided missile vehicles in America. Rohr had also that year reached agreement for the acquisition of Flexible Company, a major defence contractor, and a manufacturer of truck vans and other industrial products. A 137,000-square-foot plant for assembly of transit cars, generators, pumps and connecting and marine products was completed at Chula Vista and production line aircraft (Consolidated Aircraft Corporation's B-24), a few years ago delivered 95 per cent. of its volume to the aerospace industry.

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BIDS AND DEALS

Kniton terms for Ellis (Kensington)

Terms of the agreed bid by recent increase owing to recent legislation there regarding seat belts.

First closing date of the offer is December 2 and the cash alternative will not be extended beyond that date.

Ozalid terms for Venesta adjusted

Following a fall in its share price since making a £5.15m bid on October 19 for Venesta International, Ozalid Company has adjusted its terms in order to maintain the original value. In so doing, the coupon has been changed in respect of loan stock being offered. The alteration also covers the offer for the 32.7 per cent of Ordinary shares in Venesta not already owned by Venesta.

Terms are now 243 of 7 per cent Convertible Loan Stock, 1982, for every 100 Venesta shares and for every 100 of the 7 per cent Preference the offer is £75 of loan stock. The offer for every 20 Keizer Ordinary is £11 of the loan stock.

Since the move is basically to keep the price-Ozalid shares have fallen from 232p to 205p since the original offer—the latest move will not change Venesta's mind. Mr. Ronald Plumley, Venesta's chairman, said last night that the revised offer "obviously doesn't affect our attitude." And he commented that "the fact that the shares have been removed makes it less attractive."

The Ozalid stock will be converted into 434 Ordinary shares of £100 nominal in the years 1972 to 1978. Interest will accrue from December 9, 1971.

In addition, accepting Venesta and Keizer holders will be entitled to retain interest of 31 per cent on the £100 nominal in the years 1972 to 1978. Interest will accrue from December 9, 1971.

Offer documents will be sent out by Singer and Friedlander, on behalf of Ozalid, next Tuesday, November 16. Venesta's shares ended 1p to 32p yesterday, which was the same at which Keizer stood, unchanged on the day.

London buys Monderrery acLaren

SECURITIES has Londonederry MacLaren for a consideration of £10,000 Ordinary shares, £200,000 of 4 per cent Convertible Loan Stock 1979-84, and 30,000 of the shares deferred pending the completion of the acquisition.

Londonederry was formed in 1971 after incurring an initial deficit of £10,000. The company has been operating since then, including the £3m Ringway scheme, in which completion is expected in about 25 per cent. The scheme will be a gross rental income of £100,000.

T. Chown, chairman of Londonederry, commented that the purchase would have a significant impact on earnings and assets, as the enlarged capital structure would place no additional burden on the group's cash resources.

FIFTHS BENTLEY JAX EXCELSIOR

Documents carrying Bentley's agreed offer for Jax-Excelsior, which has been acquired by Bentley, are being sent to shareholders for the six months to June 30, 1971, show pre-tax profits of £351,452 and £40,491 were pre-taxable figures are not as a result of the changes in the group past 12 months. Comparative figures for the years which did trade in the group for all the relevant years available and reveal use in pre-tax profits of the subsidiaries since July 1970, internal statistics indicate of profit generally for months to September 30, 1971, has been maintained in the 12 months to September 30, 1971, of GB are confident of the remainder of the year and expect to recommend a dividend of at least 10p for the year.

1972, of which an 11.24 per cent would be about January next. Bentley has produced a forecast of profits for the 12 months to September 30, 1971, which shows 543,743 at pre-tax level. Chairman Mr. O. A. Bentley, management of the first two months of trading in the group higher than that of the previous year, with the exception of the 12 months to September 30, 1971, which was estimated to be £1.4m but in part non-

There are easier ways to run a pension fund.

Putting your ear to the ground is an essential part of fund management. It's vital that you keep all the latest financial news.

Unfortunately, this takes up a lot of time. It ties you up when you should be doing other things. But with the new Jessel Fund, life could be a lot less tedious.

Jessel Exempt Fund is a trust set up to give long-term capital growth with a substantial dividend. Investment in the fund is supervised by the Inland Revenue and registered charities.

It is run by Jessel, one of the top investment teams in the country.

More than four of the top performing funds over the three years to June 30, 1971.

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It is run by Jessel, one of the top investment teams in the country.

Jessel Exempt Fund

To: Jessel Britannia Group Ltd., 155 Fenchurch Street, London EC3M 6BX

Please send me full details of the Jessel Exempt Fund.

Name

Address

Telephone No.

JESSEL BRITANNIA

MINING NEWS

Clear way ahead for Prieska

BY KENNETH MARSTON

IN HIS STATEMENT with the annual report of Anglo-Transvaal Consolidated, the chairman, Mr. L. Bernstein, confirms the fact that agreement in principle has been reached for the financing of the R60m. (£35m.) Prieska copper-zinc mine in South Africa's north-western Cape.

This includes arrangements for the marketing of production, but fuller information to shareholders must await agreement with all parties on the complex documentation. Production is expected to start early in 1973 at the venture in which Anglo-Vaal has a 33.7 per cent interest. Middle West 54.3 per cent and U.S. Steel 30 per cent.

Like other leading figures in the South African mining and industrial scene, Mr. Bernstein is being sought for the moral and economic aspects of the Republic's restrictions on the advancement of African labour. We are not, as some would have it, devoted only to profit at the expense of all principle.

"Any artificial stifling of our making the best use of our manpower resources can only lead in the long run to the dangers of poverty and social unrest," he adds. And, "the facts of life in this country are that 4m. Whites, however talented and skilled, simply cannot continue to provide the skills and services for a population of nearly 10m. Whites. Although non-White education in South Africa is probably the best in the continent, Mr. Bernstein considers that it is still inadequate."

Meanwhile, Anglo-Vaal presses on with its prospecting activities but has pulled out of active operations in Botswana though it hopes to retain an interest in any finds made by its partners. In the east, Africa's group's main interest is in the Witwatersrand copper prospect and there is a reduced stake in the Zululand gold search. Like other mining finance houses Anglo-Vaal is being driven to diversify, and the 16 cents dividend rate seems reasonable. The shares were 500p yesterday.

BOUGAINVILLE QUESTIONED

Shares of the Rio Tinto-Zinc group's Bougainville Mining and its major holding companies fell yesterday following a query by the Melbourne Stock Exchange. The latter asked why Bougainville shares had fallen previously and whether the company would comment on rumours concerning possible alterations to sales contracts with Japanese companies.

Bougainville fully-paid shares ended 16p down at 80p in London. Rio Tinto Zinc lost 20p to 215p. New Broken Hill 15p to 230p and RTZ 7p to 135p.

The embryo copper-gold producer stated that no variations had been made in contracts with any customers. It pointed out that there are long-term contracts for 162,500 tons per annum of contained copper, of which 95,000 tons are to a consortium of seven Japanese smelters, 32,500 tons to a Japanese smelter, of Hamamatsu, and 15,000 tons to Rio Tinto Zinc in Spain. In the case of Rio Tinto Zinc, however, it is understood that the new smelter, due to be completed for 1972, will be fully operative until August, 1972.

However, in conjunction with other mines throughout the world, Bougainville has received a request to consider a contribution being raised to help pollution measures found necessary by the smelters. This request, in the case of Japan, would reduce the effective price received by Bougainville for its concentrate by an amount of up to 1.5 U.S. cents per pound of payable copper. So far as Europe is concerned, both Norddeutsche Affinerie and Rio Tinto Zinc have also made requests to consider a variation of the contract.

UNIT TRUSTS

NEW JESSEL FUND

launched Britannia yesterday a new international growth trust called Jessel Global Growth Fund. This trust replaces the Selective Fund (valued at £21m.), which has been transformed without any material alteration to the existing trust deed. Jessel is making an initial offer of units at 42.1p each, giving an estimated gross current yield of 3.06 per cent. The offer opens next Monday and closes on Friday, November 18.

The managers, who have arranged a \$1m. sterling/dollar loan, intend to seek out second-line international stocks rather than blue chips. However, the portfolio has still to undergo considerable changes and for the time being a large proportion will remain invested in the U.K.

The initial charge on the trust is being raised to 5 per cent, and Selective Fund investors have the option of continuing their investment in the new fund or transferring their holdings into Jessel Capital Growth Units at a discount of 31 per cent, which was the initial management charge on Selective.

FREE INTRODUCTION

If you have never sampled a copy of INVESTORS BULLETIN we urge you to take a free copy now. INVESTORS BULLETIN offers continuous and comprehensive coverage of the intermediate and major market trends together with specific advice on share selection and timing in accordance with current technical and economic conditions.

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Established 1867 - Assets exceed £5m

COMPANY NEWS

Aberdare just into surplus

FOR THE half-year to July 31, 1971, Aberdare Holdings has made the expected small profit and expects the break-even position to be maintained for the current six months.

Before tax and costs of redundancies and closures the profit was £140,000, compared with a loss of £132,400 for the six months to April 30, 1970. The previous accounts covered 12 months to January 31, 1971, showed a loss before tax of £189m.

Results of Aberdare, a partially-owned subsidiary, have been consolidated for the first time, trading having commenced in April, 1971. The year's losses incurred in bringing this company into full production have also been written off.

The sale of Aberdare Cables, and its adjacent premises, will give rise to an increase in the consolidated capital reserves, estimated at approximately £745,000.

KALMIN DEBUT

Undismayed by the current air of disillusion which surrounds even the long-established Australian mining companies, newcomer Kalmin Exploration is offering 1.5m. shares of 25 cents (£1.50p) at par. The offer is open until November 29 and it is expected that the shares will be quoted on the Perth and Melbourne Stock Exchanges on or about December 23.

Essentially an exploration company, Kalmin is to concentrate its interests in the area surrounding Kalgoorlie in Western Australia where so much of the successful prospecting action has taken place in recent times. It is intended to carry out exploration on the company's own account, or on a joint basis with others which it is hoped, will include deals with local prospectors who may have been shy of tying themselves in with the major companies.

Meanwhile, Kalmin has no quarrel about links with the mining majors. It has entered into joint venture arrangements with Swiss Aluminium and Australian Anglo American. The company is also linked with Charterhall Finance and Westminster.

EARNINGS FALL AT MESSINA

Another copper producer to be hit by lower metal prices is the South African and Rhodesian Messina group. Consolidated net profits for the year to September 30 have dropped to £5m. from £10.3m. in 1969-70, although the position is alleviated on the latest occasion by a capital profit of £1.7m. on the sale of assets.

The final dividend is lowered to 20 cents which, following the reduced interim of 18 cents, makes a total for the year of 38 cents (22p) compared with 45 cents in the previous year. Messina were 60p off at 102p yesterday. Anglo American Corporation has a holding of just over 9 per cent in the company.

WARBURG IN MANCHESTER FINANCING DEAL

Manchester Corporation has completed with S. G. Warburg and Co. financing arrangements for two car parks to be constructed

8% final by Allied Leather

A FINAL dividend of 8 per cent from Allied Leather Industries raises the total from 74 per cent to 12 per cent for the year ended June 30, 1971. Also proposed is a 1-for-1 scrip issue.

Profits show a big increase, from £135,019 to £221,985 subject to tax £98,587 (£84,973). Principal activities of the group are shoe repairing, the manufacture of shoe components, and the making and retailing of leather goods.

A £146,240 profit on disposal of fixed assets and other adjustments has been taken to reserves, making total reserves £967,208 at June 30.

A dividend of 5 per cent is being recommended. In 1969-70 the company paid 1 per cent from a profit of £42,000—after a first half deficit of £218,000.

In the 1971 half year statement the directors said the second half would be profitable, but stressed that the year would not produce the £400,000 forecast last November.

Refuge Securities

Mr. H. Livingstone, chairman of Refuge Securities, reports that current loan and collection figures are "well above" those for the same period last year.

Loans, in particular, have shown a "dramatic increase," but he points out that to some degree this represents a trend in the demand by customers now to take out larger loans for longer periods at lower rates of interest.

In the last 18 months six new offices have been opened. These are mainly now operating at a profit and should show a contribution to next year's figures.

In the year ended August 3, 1971, group turnover was £2,619,427 and profits, before tax £280,029, showing increases of 36 per cent and 25 per cent respectively. As reported October 14 the dividend is 32 per cent, against a forecast of 26 per cent, indicated in last year's prospectus.

Meeting, Manchester, December 7, at noon.

Profit for McManus

In contrast to the 1969-70 pre-tax loss of £7,346, the directors of property developers, McManus Group Holdings, report a group profit, before tax of £61,025 for the year ended June 30, 1971. Net profit is £36,525 (loss £2,395) after a tax charge of £24,500 (credit £4,930).

There is, again, no dividend.

Industrial Finance and Investment Ltd

The Annual General Meeting was held at 31 Gresham Street, London EC2V 7DT, on Wednesday, November 10, 1971

- Profits before taxation for the year to June 30, 1971, up from £1.06m to £1.24m. Dividend increased from 18% to 20%.
- Continued progress of merchant banking subsidiary, Dawnay, Day & Co., Ltd. - profits up fourfold over 5 years.
- Group profits before taxation for six months to December 31, 1971, 'likely to be at least 50% up on same period in 1970.'

An Extraordinary General Meeting will be held on Monday, December 6, 1971, at which it will be proposed to change the name of the Company to

Dawnay Day Group Ltd

Glaxo Group



HOME AND OVERSEAS SALES EXCEED £134 MILLION

Dividend increased from 14% to 16%

"Sales should continue to rise substantially... greater contribution to profits expected from new products... pressure on profit margins likely to continue."

From Sir Alan Wilson's Report 1970/71

The Accounts

Indicated in last year's report that the factors favouring the progress of the Company were likely to be more or less in balance with the adverse factors. This turned out to be so, and, while sales increased substantially, profit margins were reduced. Thus total Group sales, excluding wholesaling, show an increase of nearly 10% over last year, while the trading profit at £24.1 million increased by some 1%. The run-down of our liquid funds to finance the expansion programme has resulted in the pre-tax profit at £23.9 million being slightly below the corresponding figure for 1969/70. But after deducting taxation and Minority Interests the net profit after tax attributable to the Ordinary Shareholders is £12.8 million, which is about 3% higher than last year. Group sales, excluding wholesaling, rose by nearly £12 million to £134.1 million. The turnover of our U.K. companies in the home market, at £37.6 million, shows an increase of £1.4 million or about 4% over last year, and their exports to external customers overseas went up by £3.2 million to £24.7 million, an increase of 15%. Our subsidiary companies abroad increased their turnover by £7.3 million or 11% to a total of £71.7 million. The largest increases were in the sales of pharmaceuticals in Europe and Japan and of bulk fermentation and other products to other pharmaceutical manufacturers. The sales of these bulk materials increased by 15%. New products, particularly the antibiotic Ceporex and the anti-asthma drug Ventolin, are becoming established in an increasing number of markets and have made a contribution to the increase in sales in 1970/71; but their main benefit must be expected to lie in the future. Our wholesaling activities, which are carried out through Vestril Ltd., derived the benefit this year of greater productivity and of a sustained effort in introducing computer control. Turnover increased by 9% to a total of £47.2 million and profits to a record £1.4 million compared with £0.8 million.

The Queen's Award

The Group has again been honoured by the grant to Glaxo Laboratories Ltd. of the Queen's Award to Industry for the fifth successive year. This was in recognition of its export achievement in the year 1969/70 when the exports (including foods) of Glaxo

Laboratories increased by 30% compared with the increase of 20% in the exports from the U.K. achieved by the pharmaceutical industry as a whole.

I am also pleased to report that exports by the U.K. companies of the Group to our external customers and to our subsidiaries overseas continued to increase, and reached a total of £41.2 million in 1970/71, as compared with £34.1 million in 1969/70.

Investment Programme

This year the Group spent some £18 million on additional fixed assets compared with the £20 million spent last year. Nearly two-thirds of the amount in 1970/71 was concerned with the U.K. capital investment programme—the rationalisation of pharmaceutical production, the expansion of our pharmaceutical research facilities and the increase in our manufacturing capacity for the cephalosporin antibiotics—Ceporex and Ceporex. The balance of the amount left on this major programme, about £5 million, will be spent next year, and it should then be largely complete. The total amount of money we expect to spend next year on fixed assets should be about £15 million, and there should be a further substantial reduction in the succeeding year.

A significant part of our expenditure on fixed assets is made overseas. This year about a quarter of the £18 million was spent outside the U.K., mainly in France, Italy, Australia and India, and in 1971/72 a similar amount, but a higher proportion of that year's total, is likely to be spent abroad.

The Common Market

There has been much discussion concerning which industries would benefit and which would suffer if we join the European Common Market. So far as I can see, the pharmaceutical

industry will scarcely be affected whether we enter the Common Market or whether we do not. The reason for this is that within the E.E.C. as at present constituted there are numerous non-tariff restraints upon the free circulation of pharmaceutical products, and little progress if any has so far been made in harmonising national administrative controls. However, the Group is strongly established in Europe, and it is in a good position to take advantage of any marginal reductions in the present barriers to trade.

The Outlook

Looking forward, it seems likely that most of the important trends which determined the course of events in 1970/71 will continue into 1971/72, with favourable and unfavourable factors more or less in balance. Sales should continue to rise substantially and it is expected that our new products will make a greater contribution to profits than in 1970/71. The pressure on profit margins is likely to continue, since not only are costs still increasing but pressures by Governments all over the world to reduce pharmaceutical prices are strong. In addition, the uncertain economic conditions in many parts of the world may slow down the demand by other manufacturers for our bulk products at a time when our new plants are being commissioned. On the other hand, we have incurred considerable extra costs during 1970/71 in rationalising our U.K. production facilities and in commissioning new plant, and, while these expenses will continue into 1971/72, they will be at a reduced level.

Finally, I would like to thank all members of our staff both at home and overseas for their efforts during the year in which they had to deal with an unusually large number of problems.

Five year summary of results (in millions of £s)

Year to 30th June	1967	1968	1969	1970	1971
Sales (excluding wholesaling)	69.8	96.5	107.5	122.1	134.1
Profit after Taxation earned on Stockholders' Funds	7.5	9.6	10.9	12.4	12.8



Glaxo Group Limited
CLARGES HOUSE, CLARGES STREET,
LONDON, W1Y 8DH

For a copy of the Chairman's full statement and the Report and Accounts, please apply to the Secretary.

The product names in Italian mentioned above are REGISTERED TRADEMARKS OF GLAXO LABORATORIES LTD OR ALLEN & HANBURY LTD.

An international group of companies which conducts research and develops, manufactures and sells pharmaceuticals, (including antibiotics, vaccines, vitamins and veterinary products), fine chemicals, foods, surgical instruments, hospital equipment, agricultural and garden chemicals.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus, copies of which have been filed with the Department of Law of the State of New York and the Bureau of Securities and the Department of Law and Public Safety of the State of New Jersey. Neither the Attorney General of the State of New York nor the Attorney General of the State of New Jersey nor the Bureau of Securities of the State of New Jersey has passed on or endorsed the merits of this offering.

New Issue

4,000,000 Shares

Continental Illinois Properties

(a California real estate investment trust)

Shares of Beneficial Interest

Price \$25 per Share

Copies of the Prospectus may be obtained in any State only from such of the several Underwriters, including the undersigned, as may lawfully offer the securities in such State.

Lehman Brothers
Incorporated

Dean Witter & Co.
Incorporated

Blyth & Co., Inc.

The First Boston Corporation

Drexel Firestone
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duPont Glore Forgan
Incorporated

Eastman Dillon, Union Securities & Co.
Incorporated

Goldman, Sachs & Co.

Halsey, Stuart & Co. Inc.

Hornblower & Weeks-Hemphill, Noyes

Kidder, Peabody & Co.
Incorporated

Lazard Frères & Co.

Loeb, Rhoades & Co.

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Paine, Webber, Jackson & Curtis
Incorporated

Smith, Barney & Co.
Incorporated

Stone & Webster Securities Corporation

Wertheim & Co.

White, Weld & Co.

Bache & Co.
Incorporated

E. F. Hutton & Company Inc. **Reynolds Securities Inc.** **Shearson, Hammill & Co.**
Incorporated

November 10, 1971.

APPOINTMENTS

Two additional ICI deputy chairmen



Mr. M. A. E. Hodgson



Mr. S. D. Lyon

Mr. M. A. E. Hodgson and Mr. S. D. Lyon have been elected deputy chairmen of IMPERIAL CHEMICAL INDUSTRIES from April 1.

They will join Mr. M. J. S. Chapman and Mr. R. S. Wright, two of the three present deputy chairmen. Mr. R. T. Meadows retires from that position on March 31 on taking up the chairmanship of the Electricity Council.

Mr. Hodgson has been a director of ICI since February last year, having previously been a deputy chairman of the Heavy Organic Chemicals (now Petrochemicals) Division. He has had much responsibility over the last six years for the direction of company planning. He is now commercial director and is also responsible for ICI's interests in the textile industry.

Mr. Lyon has been a director of the company since 1968, during which time he has successively had responsibility for organisation and services, overseas co-ordination and, latterly, personnel. Before this he had been a director and, for two years, chairman of the Agricultural Division. In 1968 he was a member of the panel set up by the Government to look into the running of the oil-industrial Civil Service.

Mr. C. Alan McIntosh has been appointed to the Board of LAKE VIEW INVESTMENT TRUST.

Mr. E. P. C. Singleton has joined the Board of REVENUE HOLDINGS as technical director. Dr. L. Kemp, who is currently technical director, will now become the first personnel director on the Board of the company.

Mr. E. R. Bently has joined MIRRELES BLACKSTONE, a Hawker Siddeley Diesels company, as joint managing director. Mr. P. Mackay-Jones, deputy chairman and managing director of the company, becomes deputy chairman and joint managing director. Mr. Bently was previously with Ruston Paxman Diesels.

Mr. Frank Hicks has been appointed to the new position of marketing director of the SEALED MOTOR CONSTRUCTION COMPANY.

Mr. Keith Brainer, marketing and sales director of Cannon Industries, has been elected national vice-chairman of the INSTITUTION OF SALES ENGINEERS.

Mr. M. J. Walsh has resigned as secretary of the General PLANTATIONS HOLDINGS and its subsidiary Proprietary Agencies because of his other commitments within the group. Miss E. Broomfield has become secretary of both companies.

Mr. Jon Kimche, founder-editor of the NEW MIDDLE EAST, the London-based monthly journal devoted to Middle East affairs, has resigned from the editorship. The New Middle East Publishing Co. has appointed Mr. J. H. Forbes Macpherson as its new editor.

Mr. J. H. Forbes Macpherson has been appointed to the Board of ASSOCIATED BRITISH ENGINEERS.

Mr. P. A. Miller has been elected to the newly created position of executive vice-president of operations of EATON CORPORATION and has been succeeded as group vice-president, Truck Components by Mr. Nelson R. Henry. Mr. John V. Eakin assumes additional responsibilities as group vice-president, Industrial and Security Products.

Mr. Mel Williamson has been appointed executive vice-president of ALCAN INTERNATIONAL (Alcan Aluminium). He will be responsible for the overall direction of Alcan International headquarters.

Mr. R. C. Price, company secretary for BEAR BRAND, has also been appointed financial director.

Mr. Alexander Kennaway has been appointed a non-executive director of ALLIED POLYMER GROUP. He is a partner in Corporate Development Consultants.

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LAW REPORT

Print unions agree to dissolve merger

AGREEMENT HAS been reached for splitting up Sogat—the Society of Graphical and Allied Trades—which was formed in 1966 by the amalgamation of two printing trades unions. But, the High Court was told yesterday, the court will not be asked to order the dissolution of Sogat for the time being.

First, the terms of the proposed dissolution agreement are to be put to a ballot of all the members of Division A of Sogat—who were formerly members of the National Union of Printing Bookbinding and Paperworkers.

Separate

If the agreement is accepted on the ballot, Division 'A' will take the name Sogat for its own. The members of Division 1 of the present Sogat will, after dissolution, revert to their old union name of Natopso—the National Society of Operative Printers and Assistants. The two groups will thereafter function as separate unions. Mr. Edward Ogden, QC, for the Division A members, told Mr. Justice Goffman that, following the amalgamation, disputes had arisen, leading to three High Court actions being started. The terms now agreed would bring all three to an end. Division 1 members had wished to dissolve Sogat and revert to their pre-amalgamation name, and to function as a separate union. But Division A had wanted Sogat to continue.

There had been an added complication in that whereas Sogat's original rules provided for the dissolution of a majority of the members agreed, a motion had been passed at a rules revision conference altering the necessary majority to five-sixths of the membership. The validity of the resolution was in dispute in the litigation.

The compromise would enable the two divisions to function as separate unions. Division 1 had already agreed to the proposal but the executive council of Division A, though it agreed to the dissolution, considered that its members should ballot on it.

Mr. Leolin Price, QC, for Division 1 members, stressed that when Division A took the name Sogat it would not be as a continuation of the present Sogat but as a change of name by the paperworkers' union.

One does not anticipate any difficulty about this because the executive council is recommending the terms," added Mr. Ogden. When the ballot had been completed, the court would be asked to make an order dissolving the three actions, each side paying its own costs.

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U.K. accepts charter for greater comfort and safety of seamen

by JAMES McDONALD, SHIPPING CORRESPONDENT

GOVERNMENT White Paper on shipping international recommendations for improving the comfort and safety of seamen published yesterday.

The White Paper announces Government decision to accept two conventions and recommendations which were adopted by the International Maritime Conference in October.

The main provisions of the conventions relate to shipboard conditions and safety. The recommendations suggest that the minimum space per person for the crew should be increased, and the number of ratings fitted to occupy each room should be increased. The recommendations also lay down for the first time minimum dimensions of sleeping quarters and clear headroom in accommodation areas.

The recommendations are to be implemented by the Merchant Shipping Act 1971, and there are recommendations for substantial improvements in the equipment of ships, laundry, recreation and other facilities.

Acceptance

The U.K. Government will go ahead with the recommendations for the U.K. Chamber of Shipping, which is in agreement with the Government's action. At the International Labour Organisation conference last year British shipping voted for all these instruments.

In general, British owners already comply with them. In many cases we are more advanced than the recommendations. For example, the minimum space per person for the crew is already 100 cubic feet, and the minimum dimensions of sleeping quarters are already 100 cubic feet.

On the subject of training, the Chamber's spokesman said the U.K. Chamber of Shipping is in agreement with the Government's action. At the International Labour Organisation conference last year British shipping voted for all these instruments.

Commercial display Scottish Motor Show

OUR OWN CORRESPONDENT

GLASGOW, Nov. 11.

NEW arrangement of and NSU makes, with only one at the Scottish Motor Show. The Duke of Kent, who is the patron of the show, is expected to arrive tomorrow in the morning. The show is held at the Glasgow Exhibition Centre, which is a new building, and it is expected to be a success.

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plan research potential

Camille J. Professor tells scientists

VIB FISHLOCK, SCIENCE EDITOR

TS should have a duty to the public to tell them the potential of the research they are doing, said Prof. Sir Dainton, of Oxford, in the annual Pawley Dainton lecture to the Royal Society of Edinburgh.

Prof. Dainton said that the public should be told of the potential of the research they are doing, and that the public should be told of the potential of the research they are doing.

HOENIX TIMBER COMPANY LIMITED

Review of the year ended 30th June, 1971.

	Year to 30.6.1971	Year to 30.6.1970
External Customers	12,089	11,798
Profit before Financial Charges	548	401
Financial Charges	391	455
Income Tax	154	(Loss: 45)
Corporation Tax	107	(Loss: 54)
Dividend—10%	58	—

Points from Chairman's Statement:

Group unaudited internal Accounts for the three ended 30th September, 1971, show an encouraging result compared with the results for the same period previous year.

net asset value at 30.6.71 of each 25p ordinary share is 125p. This property valuation, with the present easier financial conditions, enables the Group to consider the possibility of a share repurchase programme. The future development of the Group will be the raising of its commensurate with the assets employed by it.

ANGLOVAAL

EXTRACTS FROM THE REVIEW BY MR. B. L. BERNSTEIN

The 33rd Annual Meeting of ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT CO. LTD., will be held in Johannesburg on 3rd December, 1971. The following is an abridged version of the annual review by the Chairman, Mr. B. L. BERNSTEIN, which has been circulated with the Report and Accounts for the year ended 30th June, 1971.

Despite stresses in the international monetary system which have also been felt in South Africa, and certain domestic monetary problems, Anglovaal can report improved and encouraging results.

FINANCIAL RESULTS

The parent company's accounts reflect a profit before taxation of R4 597 000 which was R901 000 in excess of the profit achieved in 1970. The dividend was increased to 55 cents per share on the ordinary and 'A' ordinary shares.

The consolidated Group accounts show that the profit before tax was R12 759 000. Taxation, outside shareholders' interest in profits, as well as the payment to the estate of the late S. G. Meneil and dividends accounted for R1 639 000. The net revenue of R10 121 000 from trading operations and other income less expenses showed a total increase over 1970 of R838 000 which must be considered very gratifying in view of the poor economic conditions to which I have referred.

Field of Investment	Book value of unquoted investments	Market value of quoted investments	Total value	Dividends earned
	R	R	R	%
Mining—Uranium	1 000	7 855 000	7 856 000	25
Minerals and Metals	1 224 000	9 621 000	10 845 000	34
Food and Packaging	—	3 871 000	3 871 000	12
Building and Allied Industries	7 000	2 214 000	2 221 000	7
Engineering	—	1 944 000	1 944 000	6
Other Industrial Interests	—	1 889 000	1 889 000	6
Finance	1 221 000	1 777 000	2 998 000	10
Exploration and Investment	—	—	—	—
Total	2 453 000	29 171 000	31 624 000	100

EMPLOYMENT RESTRICTIONS

I must comment on the strangeness which is imposed on the country's economic growth through the restrictions placed upon the free employment of the country's vast reserves of labour. We as a Group remain firmly of the opinion that our non-White population must be allowed to operate more and more in the skilled trades where shortages are becoming increasingly acute. The existing barriers should be removed in a gradual and orderly manner so as to sustain the continued expansion of industry and mining without in any way creating conditions which will give rise to labour unrest. The expansion of our economy and the standard of living of all our people cannot any longer be held in ransom by the withholding of labour from the country. The orderly advance of production and profit is the very essence of a decent living and hope for the whole nation. The facts of life in this country are that four million Whites, however talented and skilled, simply cannot continue to provide the skills and services for a population of nearly 22 million. The Government's Department of Planning prognosticates a growth rate of 51 per cent a year in the 70's, and on this basis the composition of the labour force makes it clear that in 1980, 3 500 000 people will be needed in the skilled occupations. Whites to fill these posts, and therefore, the remaining 1 750 000 must be filled by non-Whites if the economy is to be expanded as planned. While I do not dispute the great advances made in non-White education in South Africa, and while it is probably the best on the continent, its present tempo is hopelessly inadequate.

We possess a great reserve of potential skills among our non-White population. It is our duty to develop these skills and to provide them with the opportunity to use them. We must not only become more productive in regard to the use of existing resources, but also utilise its manpower to the full to uncover and turn to account new natural resources in our vast country. If this is to be achieved, the opportunity must be based on merit and potential must be open to all.

Our own Group has long realised this and for years has contributed substantially to higher education for all sections of our population. In addition, the Group has several schemes through which bursaries and scholarships are granted to the children of employees of all race groups and to candidates from outside the Group.

PRIESKA

In May this year your attention was drawn to the statement which I made at the Annual General Meeting of Anglovaal (Prieska) Limited when I gave a broad outline of the intentions regarding the financing of Prieska. Since that date negotiations have been proceeding with several parties in connection with both the provision of equity and loan capital and the marketing of Prieska's products. These negotiations have now been concluded and agreement in principle has been reached on all material points. However, until the complex documentation has been agreed with all parties, I am not in a position to give shareholders any further information. Shareholders, will of course, be informed as soon as it is possible to do so.

Progress on construction and development at the mine continues at a fast rate and in the meantime the cost of this work is being financed by further interim loans made by this Company and Middle Witwatersrand (Western Areas) Limited.

In view of the progress made so far it is anticipated that production will commence early in 1973 at an initial milling rate of 100 000 metric tons per month, and that the planned full milling rate of 227 500 metric tons per month will be reached in the second half of 1974.

MINING INVESTMENTS

Total coal sales at the Albion and Union Collieries of Anglo-Transvaal Collieries Limited were 5.2% higher than the previous year but owing to increased production costs the excess of income over expenditure resulted in a decrease of R2 000 compared with 1970.

Base metal mines and collieries administered by the Company	Year ended	Profit before tax	Metric tons
Associated Manganese	31.12.70	4 091 000*	Manganese ore milled 904 000 Iron ore milled 1 039 000
Consolidated Murchison	31.12.70	8 894 000	Tons milled 415 000 Antimony concentrates and bled ore produced 28 000
Anglo-Transvaal Collieries	30.6.71	396 000*	Coal sales 1 013 000

The consolidated profit before taxation earned by The Associated Manganese Mines of South Africa Limited and its subsidiaries for the year ended 31st December, 1970, was R4 091 000. The ordinary dividend remained at 25 cents per share. Capital expenditure during the year on Feralt's new ferro-chrome plant being constructed at Fairview in the Eastern Transvaal, amounted to R5 235 000. Production at the new plant commenced during the second half of 1971.

At Albion Investments (Proprietary) Limited platinum mining operations on a small scale continued on the farm Middelput in Sekhukhune in the Northern Transvaal and further prospecting work was undertaken on an adjoining farm. It is unlikely that any decision on an expansion of the mine's scale of production will be taken in the near future.

The net surplus after tax for the year ended 31st December, 1970, for Consolidated Murchison (Transvaal) Goldfields and Development Company Limited was R6 874 000 and dividends totalling R3 328 000 equivalent to 80 cents per share were paid. The company increased its productive capacity to meet the growing demand for antimony but due to a number of factors a sudden and unexpected increase in demand took place which could not be adequately met resulting in unmet orders. At the end of 1970 the inevitable reaction set in and the considerably declined demand has been aggravated by the recession in the United States. The profits earned for the first half of 1971 were considerably lower than for the same period last year.

Stockpiling of antimony has been taking place for some months and although laterally at a reduced rate the stocks have had to be financed by a short term loan.

At Eastern Transvaal Consolidated Mines Limited the surplus for the year was R501 000. An unchanged dividend of 24 cents per share was paid.

Gold and uranium mines administered by the Company	Year ended	Metric tons milled	Gold recovered (kg)	Uranium recovered (kg)	Total profit (before tax)	One Reserve Metric tons	Values Gold/ton	Uranium/kg
Hartbeestfontein	30.6.71	1 876 000	26 556	314 348	9 000 000	5 786 000	15.84	0.22
Zandpan	31.12.70	947 000	10 621	228 313	1 398 000	1 776 000	14.42	0.34
Virginia	31.12.70	1 662 000	11 853	237 644	1 202 000	3 917 000	9.37	0.20
Lorraine	30.9.71	1 352 000	14 147	—	1 564 000	4 848 000	14.44	—
Eastern Transvaal Consolidated	30.6.71	354 000	2 745	—	501 000	431 000	16.37	—
Rand Leases	30.6.71	332 000	2 066	—	9 000*	—	—	—
Village Main	30.6.71	238 000	1 308	—	4 000*	—	—	—

*After taking into account State assistance.

**Results for the year ended 30th September, 1971 are provisional and subject to audit.

After taking into account State Assistance of R2 368 000, the surplus for Zandpan Gold Mining Company Limited for 1970 was R1 298 000, all of which was appropriated for capital expenditure. Results were adversely affected by a price in both tonnage milled and recovery grade while working costs increased by 9 per cent. Increased development yielded higher gold and uranium values than in 1969 but payability was 12 per cent lower. Finance has proved a problem and the cash position has been seriously affected by rising costs and the decline in recovery grade. This led to the examination of the possibility of the merger with Hartbeestfontein Gold Mining Company Limited which it is hoped will provide stability to the shareholders.

The profit of Middle Witwatersrand (Western Areas) Limited for the year ended 31st December, 1970 amounted to R1 547 000 and dividends totalling 9 cents per share were paid. The company's main source of income is from its investments in the mining sector. The market value of quoted investments at the 30th June, 1971 was R16 537 000 and that of Redeemed Main Reef Mines Limited, its wholly owned subsidiary, on the same date, R1 576 000. The company participated with Anglovaal in prospecting operations including those referred to below.

PROSPECTING

The discovery of further payable ore bodies with the object of establishing additional viable mines continues to be a prime objective, despite the demand made on the Company's resources in the development of the Prieska project. In both tonnage milled and recovery grade while working costs increased by 9 per cent. Increased development yielded higher gold and uranium values than in 1969 but payability was 12 per cent lower. Finance has proved a problem and the cash position has been seriously affected by rising costs and the decline in recovery grade. This led to the examination of the possibility of the merger with Hartbeestfontein Gold Mining Company Limited which it is hoped will provide stability to the shareholders.

In Zululand Oil from the present 331 per cent to 531 per cent and the other participants will reduce their interest proportionately. Seekor also has an option to drill a further two wells and to further increase its equity interest by an additional 20 per cent unless the other participants contribute their pro rata share to the cost of such further two wells.

INDUSTRIAL INVESTMENTS

In our industrial sphere we have taken a hard look during the last twelve months at the viability of certain industries faced with excessive competition and unavailability of large capital injections. In several cases we have decided that our money can be better invested in those of our industries which have been firmly established as leaders in their field of operation with opportunities for continued growth. We are satisfied that our industrial group will be more profitable and will support greater expansion if we are less diversified on the fringes than we have been in the past. These decisions will result in Anglo-Transvaal Industries Limited being more liquid and its financial structure will be stronger. The company will remain a widely diversified group with substantial investments in food, packaging and engineering and will be able to follow its investments in those areas which are demonstrably more profitable and have built in growth. During the year under review Anglo-Transvaal Industries Limited earned a consolidated profit of R9 521 000 before deduction of tax and outside shareholders' interests. During the past year Anglo-Transvaal Industries Limited has increased its trading income from R2 750 000 to R3 030 000. The dividend was increased from 3.0 cents per share to 3.25 cents per share. These results can be regarded as most satisfactory, achieved as they were under conditions of intense cut-price competition and against a background of steadily rising costs of both materials and labour.

During the financial year ended 30th June, 1971 total sales of Anglo-Transvaal Industries Limited were R2 750 000, an increase from R2 750 000 to R3 030 000. Trading profit improved by 7 per cent but profit before tax was only marginally better because of higher interest charges. Earnings per share after tax and transfers to tax equalisation reserve were 25.4 cents and the unchanged dividend of 12.5 cents per share was twice covered. Two unsecured loans in Euro-dollars, totalling 2 800 000 S.D. dollars and a loan of R2 500 000 secured by a first mortgage bond were raised. These loans enabled the company to repay former loans and will allow it to meet some of its future commitments necessary to satisfy the demand for its products.

New modern plant installed at Decorative Boards (Proprietary) Limited was brought into commission in June 1971 and the capacity and efficiency of the factory has been considerably improved. In June 1971, the Group's interest in this company was reduced to 40 per cent. Despite the market reduction in copper prices and cut-backs caused by its extensive expansion programme, the results achieved by Deaver Metal Works (Proprietary) Limited, which produces high quality non-ferrous castings, extrusions and stampings, were only slightly lower than the previous year. During the year the company commissioned a new 1 650 ton extrusion press, and, with the completion of its expansion programme, will be well placed for further growth.

Negotiations are taking place between Anglo-Transvaal Industries Limited and Guest Keen and Nettlefolds Limited with a view to Guest Keen Anglovaal Automotive Components Limited becoming a 100 per cent subsidiary of the GKN Group.

In spite of an increase in turnover of 14.7 per cent this year, the consolidated taxed-profit of National Bolts and Rivets Limited decreased from R734 000 last year to R671 000 this year. This resulted mainly from higher interest charges and costs of mercantile, which were partially offset by decreased taxation. The dividend was maintained at 10 cents per share.

The consolidated profit after tax of South Atlantic Corporation Limited and its subsidiary companies for the year ended 30th June 1971 after deducting minority shareholders' interests was R2 290 000. Irvin & Johnson Limited and T. W. Beckett and Company Limited are its quoted food subsidiaries and Globe Engineering Works Limited, James Brown & Hamer Limited and Shipwrights & Engineers Holdings Limited, which is quoted engineering subsidiaries, all of which are reviewed below.

The results of Irvin & Johnson Limited were again adversely affected by the downward trend in fishing catches and net after tax profit after an upward adjustment in stocks value to allow for increased costs, declined by some R86 000 as compared with the previous year. However, in the last quarter of the year this downward trend was arrested by the catches landed from three new freezer stern trawlers which were caught during the year.

Record sales were achieved by T. W. Beckett and Company Limited. Consolidated profit after tax was R910 000, an increase of some 30 per cent over the comparable previous trading period. The most significant growth was in tea bag sales in which the company maintained a dominant market position. Coffee sales also increased at a higher rate than the overall market growth.

The consolidated profit before taxation of Globe Engineering Works Limited and its subsidiary companies for the year ended 30th June 1971 after deducting minority shareholders' interests was R1 845 000, an improvement of R468 000 on the 1970 result.

Steelmeals Limited had another successful year. Consolidated profit after tax was R438 000. An increased dividend of 8 cents per share has been declared. The machine tool division once again increased its profits, but the results of the hydraulic division were disappointing and therefore it has been decided to phase out of this division. Although trading conditions were difficult, Switchcraft Limited increased its turnover to a record level. Increased costs had an adverse effect on margins and profits were slightly down on last year. Particular progress was made in the field of high voltage switchgear and in the manufacture of industrial curtain walling for which substantial contracts have been obtained.

(The consolidated loss of Wright, Anderson (South Africa) Limited for the year ended 30th June, 1971, was R282 000 compared with a loss of R542 000 in 1970. Despite this reduction in the loss the company's position remains far from satisfactory. Negotiations were started with Dorman Long (Africa) Limited, as a result of which that company has made an offer to acquire for cash all the ordinary and preference shares at 90 cents and R1.30 per share respectively. Anglo-Transvaal Industries Limited and Nail and Chain Limited, who between them own 75 per cent of the ordinary share capital, have, subject in the case of Nail and Chain Limited to the agreement of its shareholders, announced their intention of accepting the offer in respect of the ordinary and preference shares which they own.

Rise in Tyne Dock charges BR's reduced fares scheme

By Our Own Correspondent

SOUTH SHIELDS, Nov. 11. THE Port of Tyne Authority announced today that wharfage and craneage charges at Tyne Dock, Albert Edward Dock and Newcastle Quay will be raised by an average of 22 per cent on January 1.

Labour charges at Tyne and Albert Edward Docks are to go up by about 12 per cent.

The Authority, which has been having a difficult year as a result of a drop in coal and ore tonnage and industrial disputes both inside and outside the docks, also announced that from January 1 charges on goods and for the handling of cargo will be expressed in terms of metric tons of measurements.

BRITISH RAIL's reduced fare scheme called Supersave, is to be introduced on selected trains on many key Inter-City routes over the next few months.

The Supersave tickets must be bought at least one month and not more than three months in advance of the travelling date. BR says the aim of the scheme is to fill empty second-class seats by selling a variable quota of low-price tickets. The number of seats allocated on individual trains would vary from day to day.

Booking for tickets between London and Liverpool and London and Glasgow will cost 53.75p compared with the ordinary single fare of 58.50p, while the London-Liverpool Supersave fare will be 22.25p—a 18.50p saving.

Two single tickets will be issued at the time of booking to return travel and half-fares December 6. It will be twice available for children daily, morning and early afternoon under 14. The reduced fares will not be available during Bank and public holiday periods and on Saturdays when important byroads and flights are taking place. Approximately 75 minutes.

NORWICH BY AIR TO HOLLAND

Air Anglia is to start a scheduled service from Norwich to Amsterdam on Monday, for return travel and half-fares December 6. It will be twice available for children daily, morning and early afternoon under 14. The reduced fares will not be available during Bank and public holiday periods and on Saturdays when important byroads and flights are taking place. Approximately 75 minutes.

Have you tried the double-barrelled scotch?

The first barrel. Imagine thirty or more classic straight whiskies each maturing in oak casks. Then, when they've reached their individual peak, imagine them blended together. Most people would be satisfied at this stage. But not Cutty Sark.



Cutty Sark
Double-barrelled to mature the malts.

The second barrel. They put the scotch back into the wood to let the malts mingle, marry and mature together for at least another year and a half. Growing in subtlety and character until a flavour emerges that is undoubtedly greater than the sum of its parts.

Vote to continue Rolls-Royce strike

By Alex Hendry.

The strike by 6,000 Rolls-Royce workers, that has hit production of engines, including those for the Concorde, is to go on.

A mass meeting yesterday voted in favour of continuing the 11-day-old unofficial pay strike but there was, for the first time, substantial opposition to continuing.

The strikers, at the aero-engine division at Bristol, have been offered an extra £150 a week, 50p of which is to be set against any national pay award. They are demanding a 15 per cent cost-of-living increase which would give them more than £5 a week more.

Rolls-Royce service fitters at the BAC factory where Concorde is being built and at Toulouse, the French factory, are also on strike.

White collar workers at the Bristol factory have been hit by the strike which has cut off all heating to the buildings. Nearly

2,000 went home yesterday and Wednesday when their offices became too cold to work in.

Wide expansion on microwave network

FOR EVERY mile of radio circuit used to carry Britain's trunk telephone calls in 1961, there are 140 miles in use today. These trunk radio circuits account for half the capacity of the microwave network which, with the cable complex, makes up Britain's integrated telecommunications system.

The microwave network today carries long-distance calls on more than 4,000 circuit miles, compared with under 47,000 circuit miles 10 years ago.

The calls are carried on super-high-frequency radio waves, concentrated into beams. Each beam is split up into eight separate radio channels, which can carry up to 1,500 telephone message circuits simultaneously. In the microwave network there are nearly 10,000 channel miles carrying telephone circuits between major cities and telecommunications centres. There are also channels serving television broadcasters, carrying computer data and acting as standby links.

Altogether there are 30,000 channel miles in use in the U.K. microwave network, eight times the 1961 figure. A further increase of 24,000 channel miles is planned for the next five years.

Martlet's honeymoon savings club

By Arthur Sandles

A HONEYMOON CLUB within which members can save regularly before marriage for a honeymoon with "his and her" gift towels, special car hire rates and breakfast in bed has been launched by Martlet Travel of Brighton.

Couples can choose a holiday from a Martlet brochure or those of other tour operators and save for it weekly or monthly with an entrance fee of 50p. Apart from a range of "extras" which will be included free according to the price of the tour (private car transfers, Champagne and flowers, an inscribed photo album) the club will also give wedding advice.

PACT FOR INDIA AND E. GERMANY

EAST BERLIN, Nov. 11.

India and East Germany today signed a long-term trade and payments agreement and a protocol covering exchanges of goods for next year, the official East German news agency ADN reported.

India will supply animal feeding stuffs, coffee, tea, skins, hides and other products, including manufactured articles. East Germany will export mainly machinery, electro-technical equipment, scientific apparatus and chemical products. Reuter.

CARDINAL BUYS SITE IN KENT

Cardinal Homes (Consolidated Finance Holdings group) has exchanged contracts for the sale of a residential building site in Kent. The site includes the Manor House, Chislehurst, where modernisation and conversion are planned, and six acres of building land with planning consent for about 30 houses. The price was in excess of £400,000 and Cardinal Homes is planning to use the proceeds of this sale for further acquisitions in the area.

MORE LONDON ITV FOR SURREY

LONDON ITV programmes in colour and black and white will reach more viewers in Surrey when the local relay station at Reigate starts transmitting on November 15. It is the first of a series of local relays being built to improve reception of 625-line programmes in areas not well served from the main Crystal Palace transmitter.

The Reigate transmitter is already relaying BBC 1 and 2. Over 235,000 people live within its range, including about 50,000 who have not been able to receive London ITV programmes.

AID FOR KENT RURAL BUSES

A Kent County Council report shows that in this financial year subsidies to bus companies to maintain essential rural Kent services are likely to reach £120,000. Half of that money will come from the County Council and half from Government grant. Up to the present, £51,000 has been paid out to the three major bus companies operating in Kent. This has helped to keep 64 routes in existence.

BODELL FIGHT FOR BBC TV

An exclusive recording of the fight between Jack Bodell, Britain's new heavyweight triple-champion, and Irish-American Jerry Quarry, will be shown on BBC-1 on Wednesday night, the night after the fight.

£1M. FACELIFT AT EQUITY & LAW

The London head office of Equity and Law Life Assurance Society at 20, Lincoln's Inn Fields has been remodelled and refurbished at a cost exceeding £1,000,000. The 15-month operation began early in 1970 when the society gained possession of the whole of No. 20, which it had originally built in 1855 as offices for letting.

Union may fight 37 more cases in Parsons dispute

BY ROY ROGERS, LABOUR STAFF

THE U.K. Association of Professional Engineers, which earlier this week won a High Court injunction restraining C. A. Parsons, Newcastle-upon-Tyne, from dismissing one of its members, may have to take similar court action on behalf of 37 other members employed by the company.

UKAPE has been battling to save its members' jobs at Parsons since DATA (now the technical and supervisory section of the Amalgamated Union of Engineering Workers) won a closed-shop agreement in May after a five-month dispute. When its members were told to join DATA or be dismissed, UKAPE began what it saw as a test case to delay dismissals until early next year when the section of the Industrial Relations Act outlawing closed shops comes into force.

However, following its success

ful court case, UKAPE claims to have been told by the company's legal representatives that they see the verdict only in respect of the man involved, Mr. John Hill. This was denied by a company spokesman yesterday who said that the verdict was still being considered and that no decision had been taken regarding the other 37 men.

Mr. Kenneth Peplow, UKAPE general secretary, said yesterday that if necessary his association was prepared to go through the "ridiculous charade" of a further 37 court cases. He was, in fact, travelling to Newcastle today to begin work on them. He also announced the launch of a defence fund to support professional engineers faced with similar problems. UKAPE was to seek donations of £5 from Britain's 200,000 professional engineers, almost 11,000 of whom were UKAPE members. The 70,000-strong Institution of

Mechanical Engineers had already agreed to support the fund, he added.

NALGO urges early move on new councils

The National and Local Government Officers' Association has urged the Government to hold elections to the new authorities created by the reorganisation of local government by April 1973.

The first elections to the new county and metropolitan district councils, whose boundaries are set out in the Local Government Bill, will be in spring 1973. But the boundaries of the non-metropolitan districts are to be decided by a boundary commission and elections for these councils will not take place until autumn 1973, about four months before the take over from the present councils on April 1, 1974.

NALGO believes that this is too short a period for staffing matters to be completed satisfactorily. Mr. Walter Anderson, NALGO general secretary, said yesterday: "I commence the new authorities with partial establishments as dissatisfied staffs, not all of whom will know their gradings or areas of employment on the appointed day, will nullify all efforts being made by the organisations concerned to achieve smooth and efficient transfer."

4-DAY WEEK FOR POWER PRESS MEN

A shortage of orders forced E. W. Ellis, the Despower Press manufacturers, to place 250 workers on a four-day week from Monday. Mr. R. Fry, the managing director, yesterday said he was confident business would be back to normal in a few weeks. Engineering design craftsmen are not affected, Mr. Fry said, but the shortage would not mean a considerable loss in earnings for product workers. He added that the company recently obtained substantial orders and would resume normal employment "in a relatively short time."

Short time

Short-time working is to start soon for about 130 men at Elstree Works, North London, because of a fall in the demand for the rail anchor fastener which the company supplies British Rail.

This Advertisement complies with the requirements of the Council of The Stock Exchange, London.

\$15,000,000

GTE INTERNATIONAL
INCORPORATED

8 1/4 per cent. Guaranteed Bonds due 1986

Payment of the principal of, and premium (if any) and interest on, the Bonds is unconditionally and irrevocably guaranteed by

GENERAL TELEPHONE & ELECTRONICS CORPORATION

The following have agreed to subscribe or procure subscribers for the Bonds:

Hill Samuel & Co. Limited **Paine, Webber, Jackson & Curtis Incorporated**
Crédit Suisse (Bahamas) Limited **Société Générale de Banque S.A.**

Permission to deal in and quotation for the 15,000 Bonds of \$1,000 each constituting the above issue has been granted by the Council of The Stock Exchange, London.

Full particulars of the Bonds are available in the statistical services of The Exchange Telegraph Company Limited and Moodies Services Limited and may be obtained during usual business hours (Saturdays excepted) up to and including 2nd December, 1971 from the Brokers to the issue:—

CAZINOVE & Co.,
12 Trenchard Street,
London, E.C.2.

JOSEPH SEBAG & Co.,
3 Queen Victoria Street,
London, E.C.4.

COMPANY NOTICES

NOTICE OF REDEMPTION

to the holders of debentures payable in American Currency of the issue designated

8 3/4% Sinking Fund Debentures due December 15, 1977
(herein called "Debentures") of the

PROVINCE OF NEW BRUNSWICK, CANADA

PUBLIC NOTICE IS HEREBY GIVEN that the Province of New Brunswick intends to and will redeem for SINKING FUND PURPOSES on December 15, 1977, pursuant to the provisions of the Debentures, the following Debentures as indicated of the above-mentioned issue, at 100% of principal amount plus accrued interest to the redemption date, namely:

Debentures bearing the prefix BM-B:

00005 00781	01303 01985	02573 03121	03752 04385	04835 05812	06188 06435	07985 07975	08329 08980
00008 00825	01374 02003	02580 03128	03815 04389	04837 05820	06470 07812	07815 08330	09075
00021 00827	01421 02113	02584 03188	03841 04380	04873 05875	06212 06474	07825 07860	08565
00081 00841	01582 02275	02587 03191	03844 04383	04876 05878	06215 06478	07828 07863	08570
00100 00845	01687 02380	02590 03194	03847 04386	04879 05881	06218 06481	07831 08103	08582
00104 00872	01778 02470	02713 03295	03888 04387	05037 05875	06235 06481	07840 08125	08590
00157 00888	01881 02574	02720 03302	03891 04390	05039 05878	06238 06484	07843 08128	08593
00230 00898	01985 02678	02725 03307	03894 04393	05042 05880	06241 06487	07846 08131	08596
00241 00898	02087 02780	02730 03312	03897 04396	05045 05883	06244 06490	07849 08134	08599
00285 00905	02178 02870	02735 03317	03900 04399	05048 05886	06247 06493	07852 08137	08602
00288 00914	02271 02963	02740 03320	03903 04402	05051 05889	06250 06496	07855 08140	08605
00289 00935	02364 03056	02745 03325	03906 04405	05054 05892	06253 06499	07858 08143	08608
00471 00938	02457 03149	02750 03330	03909 04408	05057 05895	06256 06502	07861 08146	08611
00478 00970	02550 03242	02755 03335	03912 04411	05060 05898	06259 06505	07864 08149	08614
00489 00996	02643 03335	02760 03340	03915 04414	05063 05901	06262 06508	07867 08152	08617
00501 00996	02736 03428	02765 03345	03918 04417	05066 05904	06265 06511	07870 08155	08620
00614 01004	02829 03521	02770 03350	03921 04420	05069 05907	06268 06514	07873 08158	08623
00630 01101	02922 03614	02775 03355	03924 04423	05072 05910	06271 06517	07876 08161	08626
00640 01121	03015 03707	02780 03360	03927 04426	05075 05913	06274 06520	07879 08164	08629
00700 01138	03108 03800	02785 03365	03930 04429	05078 05916	06277 06523	07882 08167	08632
00702 01145	03201 03893	02790 03370	03933 04432	05081 05919	06280 06526	07885 08170	08635
00741 01183	03294 03986	02795 03375	03936 04435	05084 05922	06283 06529	07888 08173	08638
00746 01187	03387 04079	02800 03380	03939 04438	05087 05925	06286 06532	07891 08176	08641

Debentures to be so redeemed, will become due and payable and will be paid in cash coin or currency of the United States of America as at the time of payment to the holder and private debt in said United States of America, at the office of the Fiscal Agent, Bank of Montreal Trust Company in the Borough of Manhattan, City and State of New York, United States of America, or at any of the offices of the following Paying Agents: Bank of Montreal (Main Office) in Montreal, Canada; Bank of Montreal in London, England; Banque Paribas in Paris, France; Amsterdamsche Bank in Amsterdam, The Netherlands; Kredietbank N.V. in Brussels, Belgium; Deutsche Bank AG (Main Office) in Frankfurt, Federal Republic of Germany; Kreditbank S.A. in Luxembourg; Grand Duchy of Luxembourg, upon presentation and surrender of Debentures bearing the above numbers, with all coupons maturing after December 15, 1971 attached.

From and after December 15, 1971, interest on the Debentures to be so redeemed will cease and interest coupons maturing subsequent to that date will be void.

Minister of Finance

PROVINCE OF NEW BRUNSWICK

THE MESSINA (TRANSVAAL) DEVELOPMENT COMPANY, LIMITED

Incorporated in the Republic of South Africa

DECLARATION OF DIVIDEND

NOTICE IS HEREBY GIVEN that Dividend No. 43 of 20 cents per unit of stock has been declared payable at the rate of South African Rand, exchange rate of 1 Rand = 2/6, to the holders of the Company's Registered Ordinary Shares at 2/6 each, on 27 November 1971.

Warrants in payment, where applicable, Non-Resident Shareholders' tax at 7.70% will be posted from Johannesburg and London on or about 20 December 1971.

The TRANSFER BOOKS and REGISTER of Members will be CLOSED from 27 November to 6 December 1971 both days inclusive. Further information may be obtained from the Transfer Office: 6 Greenock Place, London S.W.1.

Holding Company	1970	1971	1972
0000 0000	1,215	2,025	3,025
0001 0001	1,215	2,025	3,025
0002 0002	1,215	2,025	3,025
0003 0003	1,215	2,025	3,025
0004 0004	1,215	2,025	3,025
0005 0005	1,215	2,025	3,025
0006 0006	1,215	2,025	3,025
0007 0007	1,215	2,025	3,025
0008 0008	1,215	2,025	3,025
0009 0009	1,215	2,025	3,025
0010 0010	1,215	2,025	3,025
0011 0011	1,215	2,025	3,025
0012 0012	1,215	2,025	3,025
0013 0013	1,215	2,025	3,025
0014 0014	1,215	2,025	3,025
0015 0015	1,215	2,025	3,025
0016 0016	1,215	2,025	3,025
0017 0017	1,215	2,025	3,025
0018 0018	1,215	2,025	3,025
0019 0019	1,215	2,025	3,025
0020 0020	1,215	2,025	3,025
0021 0021	1,215	2,025	3,025
0022 0022	1,215	2,025	3,025
0023 0023	1,215	2,025	3,025
0024 0024	1,215	2,025	3,025
0025 0025	1,215	2,025	3,025
0026 0026	1,215	2,025	3,025
0027 0027	1,215	2,025	3,025
0028 0028	1,215	2,025	3,025
0029 0029	1,215	2,025	3,025
0030 0030	1,215	2,025	3,025
0031 0031	1,215	2,025	3,025
0032 0032	1,215	2,025	3,025
0033 0033	1,215	2,025	3,025
0034 0034	1,215	2,025	3,025
0035 0035	1,215	2,025	3,025
0036 0036	1,215	2,025	3,025
0037 0037	1,215	2,025	3,025
0038 0038	1,215	2,025	3,025
0039 0039	1,215	2,025	3,025
0040 0040	1,215	2,025	3,025
0041 0041	1,215	2,025	3,025
0042 0042	1,215	2,025	3,025
0043 0043	1,215	2,025	3,025
0044 0044	1,215	2,025	3,025
0045 0045	1,215	2,025	3,025
0046 0046	1,215	2,025	3,025
0047 0047	1,215	2,025	3,025
0048 0048	1,215	2,025	3,025
0049 0049	1,215	2,025	3,025
0050 0050	1,215	2,025	3,025
0051 0051	1,215	2,025	3,025
0052 0052	1,215	2,025	3,025
0053 0053	1,215	2,025	3,025
0054 0054	1,215	2,025	3,025
0055 0055	1,215	2,025	3,025
0056 0056	1,215	2,025	3,025
0057 0057	1,215	2,025	3,025
0058 0058	1,215	2,025	3,025
0059 0059	1,215	2,025	3,025
0060 0060	1,215	2,025	3,025
0061 0061	1,215	2,025	3,025
0062 0062	1,215	2,025	3,025
0063 0063	1,215	2,025	3,025

INTERIM STATEMENTS

BEECHAM GROUP LIMITED

Interim Statement of Trading Results 1971/72
Half-Year ended 30th September 1971

The Directors of Beecham Group Limited announce that the limited trading results for the half-year ended 30th September, 1971, are as follows:—

	Half-year ended 30th September 1971	Half-year ended 30th September 1970	Year ended 31st March 1971
Revenue	105,948	86,471	181,804
Operating Profit	19,312	16,160	34,247
Interest on loan capital	2,127	587	1,587
Operating Profit before tax	17,185	15,573	32,660
Income tax	7,630	6,895	14,358
Investment grants credited	125	125	256
Corporation Tax on retrospective change of rate	—	—	476
Operating Profit after tax and investment grants	9,680	8,803	19,034
Interest on loan capital	81	248	474
Profit attributable to Beecham Group Ltd.	9,599	8,555	18,560

INTERIM DIVIDEND
The Directors have today declared an interim dividend of 12%—4,203,202 on the Ordinary Shares on account of the year ended 31st March, 1972, payable on 1st February, 1972, to all shareholders on the register at the close of business on 22nd December, 1971. The interim dividend declared last year was 11%—3,848,000.

On 1st April, 1971, Beecham Group Limited through its subsidiary Beecham Inc., acquired for cash The S.E. Massengill Company and at the same time acquired for cash the publicly held shares of its American subsidiary, Beecham Inc. The acquisition was completed on 30th September, 1971, inclusive.

The results of the lower appropriation of profit attributable to minority interests in subsidiaries; and the interest costs associated with the financing of both transactions.

These results also include six months trading of the German subsidiary Fischer & Fischer (date of acquisition 1st January, 1971), and the interest costs associated therewith.

Less and Profits for the half-year ended 30th September, 1971, currencies other than sterling, have been converted at actual rates of exchange at the end of the half-year. No account has been taken of the surplus arising on the conversion of Net Assets in Long Term Liabilities at the same rates of exchange.

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SPORT: GOLF... YACHTING

Good start for England in the World Cup

BY BEN WRIGHT

ENGLAND, in the shape of Tony Jacklin and Pater Oosterhuis, have made a quite magnificent start in their bid to win the 19th World Cup competition here on the East Course of the PGA National Golf Club this beautifully sunny morning. After nine holes played at an excruciatingly slow pace—we have been on the course 3½ hours already—England have a sizeable lead over the entire field at this stage at two under par.

Both Jacklin and Oosterhuis have reached the turn in 35 shots, one under the par for the distance, a marvellous performance in a strong and sometimes cool breeze that has tempered the heat of the strong sunshine most comfortably.

Ideal wind
A wind from the north-east like this is possibly the ideal wind, since it is at the players' backs when they attack three of the immense par five holes, the sixth, the 12th and the 17th. And the first was also easily accessible in two shots this morning, as New Zealander John Lister proved when playing with the Welshman Brian Huggett and Craig Defoy. Lister went through the first green into sand with a towering iron shot, and blasted out stone dead for a birdie that Defoy matched with an exquisite putt from the throat.

In fact Wales are covering themselves with glory also, since both their men have reached the turn in 36 shots apiece. This is a particularly meritorious showing by the slim Defoy, who has been all over the course in practice, yet this morning has played almost flawlessly—with the exception of one wayward drive that cost him the cruel penalty of two shots.

It has been obvious to me all week that Jacklin and Oosterhuis were likely to do well, such has been their rapport and co-ordination. Last evening we had a most enjoyable five a side football match on the lawns of our hotel, and of the British golfers here the English pair and Ruggert and Scotsman Bernard Gallacher joined in the fun.

Oosterhuis told me this morning that he felt the strenuous exercise had done him the world of good. Although he was palpably nervous, he started quite beautifully by scoring birdies at the first two holes. Thereafter Oosterhuis played with a massive calm and certainty that it is much to inspire Jacklin, who made very few mistakes himself after a had break at the second hole.

Jacklin had also opened with a wonderful birdie by holing from 30 feet from the back of the green, Oosterhuis following him in from about eight feet. One of the very few poor aspects of this great and testing golf course is an island of rough in the middle of the second fairway, an exquisite but complex wicket patch of trouble in the crosswind, but while Oosterhuis was easily able to loft his ball out onto the green, whence he holed from eight feet, Jacklin

was so deeply embedded that he had to hack at the ball with all his considerable strength to move it forward with his sand wedge. The ball caught the bunker in front of the green, and poor Tony dropped a stroke.

He promptly hit a dreadful stroke from the third tee. In trying to force the two iron upwind, he hit it so fat that it just failed to reach the bunkers short of the green. Oosterhuis was long and right of the green with the same club, and after Jacklin had pitched up superbly a yard from the hole Oosterhuis holed from 18 feet so that both our players scrambled out with par three.

Good recovery
Oosterhuis hooked his drive into a bunker at the fourth hole, and played as good a recovery shot as anyone could wish to see, a full five iron shot through the wind that pulled up 20 feet right of the hole.

Two more sterling pars, and then Jacklin sadly missed a putt of less than two feet on the fifth green to drop another stroke and put our side back to level par.

The sixth was a potential birdie hole, and Jacklin set up his chance with a huge drive. Also, Oosterhuis allowed his to drift into the rough to the right, and had to be content with his par five. But Jacklin made his birdie with a three wood to the green and then hit another terrible iron shot at the second short hole, the seventh, again trying to force the ball, this time with an eight iron. The ball had

no chance of carrying the bunker in front of the green, but from here Jacklin, with typical inspiration, booted the ball 20 yards straight into the hole for a two.

The pace by this time was utterly funeral, because so many of the golfers present are finding the course quite beyond them. As I speak, for instance, the scores of several nations are into double figures never par after nine holes. The pace had been slowed in the England and Spain game by poor Angel Gallardo, the chirpy Spaniard, ripping the seat out of his trousers as he sat down during one of the periods of waiting that preceded every shot. The little Spaniard changed into his waterproofs.

At the eighth hole, England's magnificent form around the green was again seen to advantage when Oosterhuis went through the green, and chipped back three inches from the hole. Jacklin came up short, but likewise got down for his par four with a chip and a putt.

Oosterhuis made his first costly mistake by pushing his drive at the ninth into rough, bunkering his second, and failing to get down in two. This was understandable, however, because his stance with his feet outside the bunker was a well nigh impossible one for such a tall man.

Both men had required only 14 putts each to reach the turn, and the latest news from the leader board is that the Englishmen are still two under par after 10 holes. Only one other team in the entire field is also under par, the South Africans being one under after four holes.

Back to Wales. Both Huggett and Defoy hit superb two-iron shots to the third green. Huggett holed from eight feet for his two, but Defoy unfortunately missed from inside that distance. Defoy immediately hit back at the fourth hole by striking a great seven iron shot through the breeze to pull up three feet from the hole for a birdie, but Huggett was badly bunkered here to drop a shot.

Steady Wales
Defoy was still two under par when he pushed his drive in the right left wind into the water at the eighth hole to take six, but otherwise the Welshmen have played with commendable steadiness.

As I speak I can read off the leader board that the Welsh are level par for 12 holes. The Scots, Gallacher and Ronnie Shade, are playing with the Americans, and as yet they are not on the leader board and there is no news of them. So one assumes they started badly. The news of the Irish pair Christy O'Connor and same rules. Perhaps the United Nations should form a yacht club.

On Monday of this week the initial gathering of delegates at the Royal Thames Yacht Club was reminiscent of the first day back at school at the start of a new term. Familiar faces, new faces and a wealth of news to discuss.

The President of Honour, King Olav of Norway and his son Crown Prince Harald, both top class international yachtsmen, were among the early arrivals while former Olympic gold medalist King Constantine of Greece suffering, he said, from the effects of British air and road traffic control, was late. At the moment he is wondering how he can qualify for the Greek yachting team in the next Olympics as his selection depends on trials to be held in Greece. He is without doubt the best man that his country has in the International Soling class.

The policy discussions of the Parliament Committee having been completed on Monday morning, the delegates then divided into their eight sub-committees to discuss their respective share of the 125 pages of minutes behind closed doors. King Olav and the Crown Prince joined the Racing Rules Committee, with the American yachtsman Gregg Berman in the chair, while King Constantine has been working with the Union's president, Dr. Bepe Croce, of Italy. It is on this committee that the popular Russian delegate, Timur Pingin, plays an active part with or without an interpreter depending on which way the wind blows.

The business of IYRU covers every aspect of yachting from the rules concerning the construction of 15 metre yachts in aluminium for the America's Cup to the number of jerseys allowed to be worn by single handed Olympic Finn class dinghy-sailors in their effort to increase their weight by sailing in sea water soaked clothing. This constitutes a danger if they capsize.

One of this year's tougher nuts to be cracked consists of three pages of submissions and suggestions from the International Soling class association to the Union. Ironically the chairman of the Keel Boat Technical Committee which has to solve these problems is Sir Gord Smith. He is a Dragon class yachtsman of repute having twice narrowly missed selection to the British Olympic team in the class and he fought hard to keep the Soling class out of the Olympics.

As a result of this week's discussions it seems that several important facts, with a long-term effect on a wide range of sailing activities, will emerge.

Offshore racing as an Olympic event sank a little further from sight while the Tornado class

OBITUARY

Sir Alan Herbert

ALAN PATRICK HERBERT—Sir Alan since 1945, but always "A.P." in the minds of his uncountable readers and friends, died yesterday, aged 81, at his Hammersmith home overlooking the Thames.

AP began writing for Punch in 1910, when he was still at school at Winchester. He was intended for the law, and gained First Class in Jurisprudence at Oxford, but though his was called to the Bar at the Inner Temple in 1918, he never practised.

The pages of Punch were his springboard to public life. After three years' war service in the Royal Naval Division, he set out as a reforming writer whose good temper and genuine fun concealed the sharpness and the wide range of his tireless campaigning. He was in his way the Voltaire of our age, with an obsession to excoriate infamy, whether that consisted of the unfair barriers in the divorce laws or the uncounted proliferation of ugly English.

He dealt with the divorce laws in his Matrimonial Causes Act of 1938. Other causes which he espoused included the inland waterways, the abolition of entertainment tax and the Parliamentary candidate's deposit. As President of the Society of Authors and Chairman of the British Copyright Council, he worked hard in the interests of authors given, as he believed, a raw deal by the public libraries and "Tantivy Towers".

However serious his campaigns, he always attacked them with bubbling good humour, and he took up frivolous pursuits with as much attention as serious ones. He owned a racing grey, was created a Companion of Honour in 1970.

He wrote a comprehensive guide to success in the football pools. He was an incomparable speaker (he once addressed the House of Commons in verse) and a gifted raconteur.

His publications included novels, plays, comic verse and musical comedies. They range from "Misleading Cases" to the "Holy Dead" from revenue numbers to light opera such as "Derby Day" and "Tantivy Towers".

APH was born in 1890 and educated at Winchester and New College, Oxford. He married Gwendolen Quilter; he had one son and three daughters. He was created a Companion of Honour in 1970.

B. A. YOUNG



Sir A. P. Herbert—on his 80th birthday.

Record Progress Continues for FORBUOYS

(Multiple Newsagents, Tobaccoists and Confectioners)

Salient points from the Statement by Mr. O. C. Strickland, Chairman, Forbuys Limited.

*During the financial year ended 30th June, 1971, (53 week trading period), turnover increased by 13.4%. This increase, when adjusted to 52 week period, surpasses any previous increase. Profit, before tax, increased by 28.4% to a new record. A final dividend of 25% recommended making 45% for the year (1970 37.3%).

*It was proposed to make a 1 for 2 scrip issue and to increase the authorised capital to £1,250,000.

*Subsequent sales for the 13 weeks ended 2nd October, 1971, showed an increase of 16.9% on the corresponding period last year, despite the newspaper strike in September. In this period the Company have purchased three established businesses, opened four branches, and sold two. We also expect to complete four further purchases of established businesses, and to open at least a further five new branches before Christmas.

	1971	1970	1969	1968
Turnover	£12,215,143	£10,768,707	£9,741,901	£8,873,288
Profit for this year	£729,160	£563,411	(a) £518,430	(a) £516,606
Taxation	£264,749	£250,758	£242,390	£225,768
Net Profit	£464,411	£312,653	(b) £276,040	(b) £290,838

(a) After eliminating exceptional profit of £21,182 and £13,125 respectively.
(b) Including exceptional profit.

TY COU

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Interim Report

	Half year to 30.9.71	Half year to 30.9.70	Year to 31.3.71
Revenue	£ 2,395,000	£ 1,936,000	£ 4,360,000
Profit before Taxation	410,000	231,000	610,000
Corporation Tax	164,000	98,000	235,000
Profit after Taxation	246,000	133,000	375,000
Dividend: Interim	15% £2,250	10% £1,500	10% £1,500
Final	—	—	28% £133,750

and it is extremely gratifying to report that the unaudited profit, before taxation, for the year to the 30th September, 1971, was £410,000. This shows an increase of some 100% or 77% over the corresponding period for the half year to the 30th September, 1970.

Despite the somewhat uncertain economic period we have experienced, the results of the continued success of our rationalisation programme. A policy of this nature, however, is dependent upon a strong order book, and as yet we have not felt the impact of the much publicised upsurge in the building industry. At this stage, therefore, I find it difficult to forecast what the current half year's profits will be. The present trend indicates they should be comparable with those of the first half of the year.

In view of the foregoing, the Board has today decided to announce an Interim Dividend of 15% (against 10% in 1970), to be paid on the 21st December, 1971.

J. Goodridge
Chairman and Managing Director

GROVELAND ROAD, TIPTON, STAFFS.

T. Bowring & Co. Limited

Fit Announcement for the half year ended 30th June 1971

unaudited Consolidated Group Profit for the six months to 30th June 1971 is £0 compared with £4,494,000 for the six months to 30th June 1970.

	6 months ended 30th June 1971	30th June 1970
Revenue	£ 5,005,000	£ 4,494,000
Profit before Taxation	680,000	680,000
Corporation Tax	4,325,000	3,814,000
Profit after Taxation	1,792,000	1,816,000
Dividend: Interim	2,533,000	2,198,000
Final	80,000	56,000
Profit attributable	2,453,000	2,142,000
Dividend	8,000	8,000
Profit available for Ordinary Shareholders	2,445,000	2,134,000

T. & Friedlander Holdings Limited have been acquired since the 30th June 1971, unaudited figures for the six months ended 30th June 1971 show profits to be £0 for the corresponding period of 1970.

Profit for the second half of the year is developing very satisfactorily and the anticipated that in the absence of unforeseen circumstances Group profit for the year including Singer & Friedlander Holdings Limited, will justify an increase in dividend to be paid in respect of the year to 31st December 1971 on the Ordinary Shares as increased by the shares issued in connection with the Singer & Friedlander acquisition. Accordingly the directors have resolved that an increased dividend at the rate of 14% less income tax on the Ordinary Shares of the company be declared payable on the 17th December 1971 in respect of the year to 31st December 1971.

All these Bonds having been sold, this announcement appears as a matter of record only.



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Banca Commerciale Italiana	Banca Nazionale del Lavoro
Banque Francaise de Depots et de Titres	Banque de l'Indochine
Banque Louis-Dreyfus & Co.	Banque Nationale de Paris
Banque de Paris et des Pays-Bas	Banque Rothschild
Banque de l'Union Paribas C.F.C.B.	Baring Brothers & Co. Limited
Bergring Privatbank	Berliner Handels-Gesellschaft-Frankfurter Bank
Capitall International	La Centrale Financiera Generale S.p.A.
Credit Commercial de France	Credit Lyonnais
Den Danske Landmandsbank	Richard Dams & Co.
Deutsche Girozentrale-Deutsche Kommunalbank	Dillon, Read Overseas Corporation
Edelcentro S.p.A.	Efecto Bank-Warburg
The First Boston Corporation	First Manhattan Co.
Girozentrale und Bank der Österreichischen Sparkassen	Goldman Sachs International Corp.
Gutzwiller, Kurr, Buehner Sockel	Hambro Bank
Hoare & Co., Garrett	Kidder, Peabody & Co.
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J. Henry Schroder Wagg & Co.	Smith, Barney & Co.
Strauss, Tumbull & Co.	Sveiges Kreditbank
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Western American Bank (Europe)	Dean Witter & Co.
	Wood Gundy

The Property Market

BY MICHAEL O'HALLORAN

A five year extension for ODP's is planned

It seems to have escaped the notice of the property world that in all probability, office development permit control will be extended for a further five years. However, at the end of last week, the Town and Country (Amendment) Bill was introduced into the House of Lords, and clause 5 provides for ODP's to be continued until August 5, 1977. Without this clause, controls would have lapsed next summer, not that there seemed much chance of this happening. Furthermore, planning applications will not lapse under the five-year rule if the lack of an ODP is the cause of development not proceeding.

Despite the irritations of control, most developers should welcome the extension, for the implications are more political than physical. The continuation of Government control will prevent the long-threatened takeover of ODP procedure by the Greater London Council—an action which is seen by some people as potentially as great a danger as the Brown Ban. The council certainly does not approve of the number of permits

now flowing from the Government, and it is showing its feelings by a "hard line" planning attitude. To put all the weapons in the hands of the council would definitely not be an action sympathetic to property men.

As I have said before, the ODP versus planning battle is producing something of a farcical situation in London. In my opinion, the marathon talk-in known as the GLDP enquiry is not producing any solutions. It is time that the Government made its own feelings felt in a more positive manner than simply the issuing of ODP's in bulk.

In future, the time scale of ODP's can be extended or shortened by simple Order. Personally, I would only favour an extension so far as the GLC area is concerned. However, I would not be too surprised if the Government decided to see a relaxation of controls outside London.

IPC's property aspirations

The other important news this week concerns MEPC, and I am particularly interested in its talks with International Publishing Corporation. These have been continuing for some time, and I understand that the final decisions will be made within the next two months. But what form will the deal take? My information is that it will be an all-paper transaction, and that Mr.

Dan Ryder could well become a director of MEPC. Indeed, there was once talk about Mr. Ryder even taking over the chair, but this idea was squashed.

Why MEPC? The theory is that Mr. Ryder wants to become very much more involved in property. Indeed, rumour says that he has been looking fairly far from a group with a view to making a bid. However, any ambitions in this direction might best be served via the link to be forged around IPC's existing property portfolio. So the company chosen by Mr. Ryder had to be not be overpowering. This ruled out such groups as Land Securities and British Land.

However, I do hope that IPC is not fooling itself into thinking that MEPC is a docile animal. Indeed, it is becoming very aggressive. Although I will be surprised if Mr. Ryder does not join the Board, I shall be equally surprised if he finds it easy to become a dominant member. In a few weeks time, Peter Anker returns from Canada to take up his new position of joint deputy managing director, and he is a very clever young man who is not likely to brook any undue interference. Neither is Maxwell Creasey, who holds the deputy's post with Mr. Anker.

MEPC's other big news is, of course, the 446,000 square foot block—391,500 square feet of its offices—which it hopes to build in Buckingham Palace Road for BP. As usual, planning could be a problem, but talks have been going on for well over a

Bouverie House fetches £1.95m.

The result of Benn Brothers very quiet marketing of Bouverie House—its Fleet Street headquarters—is a sale at £1.95m. Some people dropped out well below this figure, which I personally think is a very full price, but I gather that there were three close competitors for the block. Perhaps they are more optimistic about rent levels than I am.

There is about 50 years left to run without review on the City Parochial Foundation lease, and the ground rent is negligible. However, it is a rather complicated building of 48,415 square feet, of which some 7,500 square feet on the ground floor is let for banking purposes. The buyer—not far removed from the Slater Walker camp I feel—may have to wait until December, 1972, to gain occupation.

Other London news is that Dai-ichi, a Japanese bank, has agreed to pay £100,000 per annum for the 5,000 square feet of space in Moorgate which First National Bank of Boston recently vacated in order to move into the new 35,000 square foot block at 5, Cheapside. It is a very good figure to achieve. First, Dai-ichi only has a three-years lease because of a rebuilding clause. Secondly, a fair amount of the space is on the lower ground floor together with vaults and a strong room. Jones Lang Wootton was the agent involved.

OUT AND ABOUT

Since leaving St. Martins to form his own development group, Richard Gray has announced several good but unexciting shop and office deals. However, I hear that he is beginning to spread his wings a little, for rumour says that he is the man who just paid around £400,000 for the Ritz Cinema in Richmond's town centre. This EMI/ABC property occupies a freehold site of some 22,000 square feet in a key location close to the station, shops, and a proposed 400-bay car park. Given an ODP, it seems more than possible that the local planners will give their consent to a new block of approximately 50,000 square feet.

The Royal National Lifeboat Institution wants to move from Grosvenor Gardens to—appropriately enough—a coastal location. But before you get too interested in selling a site suitable for 125,000 square feet of offices and stores, listen to the special requirements. For a start, the site must have access to coastal or estuarine waters with a minimum depth of 8 feet at low water! Drivers Jones, the agents, have already undertaken a detailed study of suitable locations, and these range from Lowestoft all round the coast to Cardiff and Barry. Conversion prospects will also be considered. The same agent is acting for a large insurance company which wants to decentralise from the West End and buy the freehold or long lease of an office block of up to 100,000 square feet elsewhere in the Greater London area.

Quite a few companies have been investigating the Nigerian market to recent months, for Lagos seems to be enjoying a development boom. One U.K. backed project is a 96,824 square foot block being developed by John Holt Investment in partnership with the Methodist Church. All of the space has been let to Shell BP for use as a new Nigerian Headquarters. Rental records in Lagos have certainly been broken by the United Bank for Africa's new block. Although the building has not been

finished, the 32,000 square feet of surplus space was oversubscribed three or four times by potential tenants prepared to pay £25 per square foot exclusive. This figure beats previous records by about 30 per cent. Knight Frank and Rutley are project managers to both schemes.

Vickers has sold the freehold of the former A.B.C. Motors factory at Hershaw to Resindustrial of Chertsey. A programme of redevelopment and refurbishing has begun, and units of between 4,000 square feet and 12,000 square feet are being let at rents from 85p per square foot. In Hershaw, there should be no trouble in finding tenants at this rent level. Fuller Peiser and Co. are the agents.

Cardinal Homes, the fast-expanding building arm of Consolidated Finance Holdings, has just concluded a sweet deal at Chislehurst, Kent. The company has announced the sale for more than £400,000 of an existing manor house plus six acres of land with permission for about 30 units. What it did not add is that the sale figure represented a quick and useful dealing profit of around £150,000! Cardinal says that it is to use the proceeds of the sale to buy more land in the same area. If its purchasing is as good as the manor house site, the company really need not bother with constructing homes.

Agreement has been reached between Crest Homes and Woodley Development—a company owned jointly by Advest Engineering and Town and City Properties—for a massive residential development on the Woodley aerodrome site at Reading. More than 2,000 houses

will be built on 200 acres, and work will soon start on the first 50-acre section. Crest is to be responsible for all aspects of planning, marketing, and management.

Following its merger with First National's two main development subsidiaries, Three Stars is looking for top management men to head the office, industrial and residential departments. I hear that the salaries being offered go as high as £15,000 per annum plus equity participation. Thinking about personalities, did you notice the news that John Everts left his job as personal assistant to Sydney Mason in order to join JBI Europe, the property-oriented Australasian group which recently set up in London? This could herald some interesting deals for the newcomer.

The most comprehensive property management system available in the U.K. is claimed by Lowndes-Ajax Computer Service. The company has just spent about £37,000 on designing the system, which is capable of dealing with all mechanical aspects of management. It is operating the system on a bureau basis, offering the service to agents and property owners. It is said that computer control allows the production of considerably more comprehensive accounts and schedules than is possible by manual procedures.

Following its link with Keres Ullmann, parking management company Farcar Operations is expanding its activities. Its latest deal is to lease the 24-hour parking car park space in all within Grosvenor Estates Developments' shopping centre at Runcorn, Edwards & Wood and Bewlay were the agents.

Agreement has been reached between Crest Homes and Woodley Development—a company owned jointly by Advest Engineering and Town and City Properties—for a massive residential development on the Woodley aerodrome site at Reading. More than 2,000 houses

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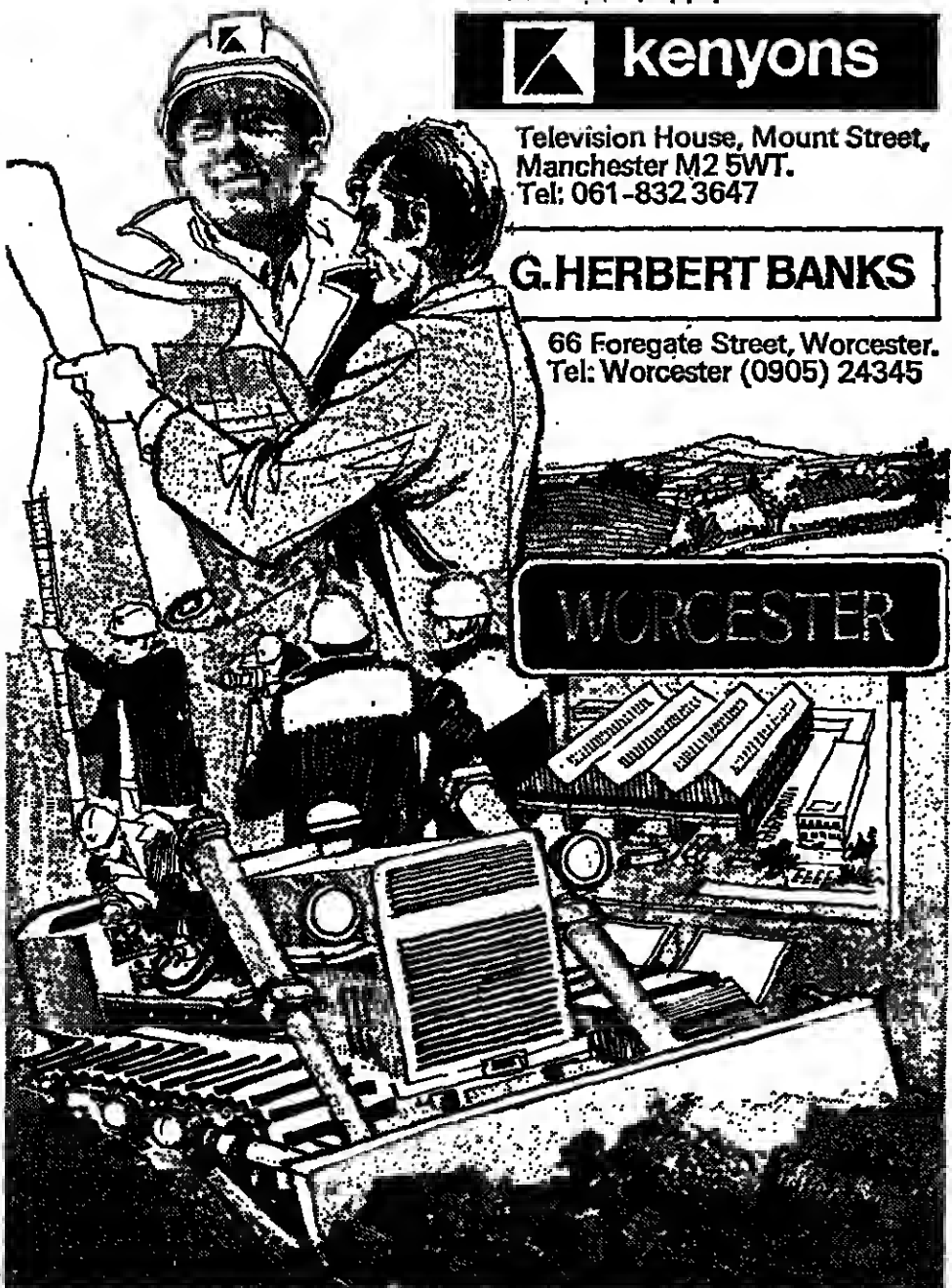
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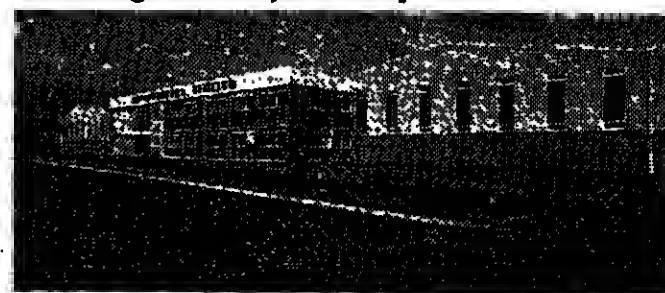
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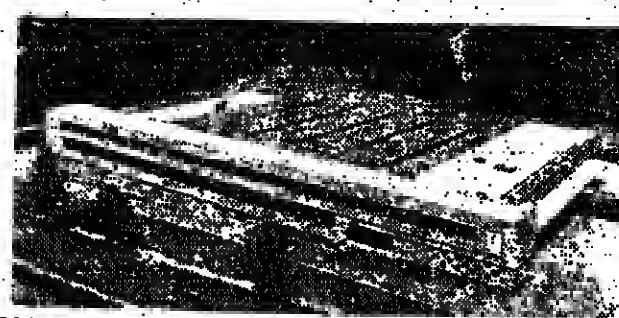
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What was needed and what we've got

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EXCHANGE RATES have been moving within a much narrower range in recent weeks than they were during the month or two after floating became the order of the day in August. Indeed, it is beginning to look as though they have moved just about as far as their respective monetary authorities will let them until they can be presented with convincing arguments for doing otherwise. It is an appropriate moment to ask, therefore, how far the re-alignment process can be said to have corrected the defects in world exchange patterns.

There is, unfortunately, no way of obtaining a clear-cut answer to this question. For one thing, no authoritative assessment has been made of the extent to which currencies were out of line before the big float began. But we do know that the broad equilibrium existed in the early 1960s. And what we can do, therefore, is to see how far the changes in export prices relationships that occurred between then and the early months of this year have been affected by the adjustments in currency values over the past six months.

Dollar's case

The export prices of all the principal trading countries have, of course, been rising over the past ten years. But some have climbed much faster than others. At the start of this year those of the U.S., Canada and Switzerland showed increases in excess of the average. For Sweden and Norway the rise exceeded the mean by about 4 per cent, while in the British case it was very close to it.

For France, Germany and Italy, on the other hand, increases fell some 3 per cent short of the average and in those of Japan, the Netherlands and Denmark about 7 per cent short.

If we set these deviations off against the re-alignments these countries' currencies have undergone in terms of the rest of the world since the first big float began, the picture emerges that the devaluation of the dollar at around 61 per cent, is already almost sufficient to cancel out the loss of competitiveness U.S. goods have suffered since the early-1960s.

About right

However, the currencies of the two other countries whose export prices have risen by considerably more than the average during the past ten years—Canada and Switzerland—have actually experienced revaluations against the others of about 5 per cent.

Since the rise in British export prices had been fully up to the average in spite of the 1967 devaluation, the fact that the £ has shown no significant change in terms of the other major currencies as a whole would seem to indicate that the float it has been allowed is just about right. The changes in the German, Norwegian and Swedish currencies can also be said to correspond fairly closely to the disequilibrium implied by their export prices relationships before the float. And the 7 per cent revaluation of the Japanese yen is not far short of the average in the very far short of the desirable level.

On the other hand, the revaluations of the Dutch florin and Belgian franc look modest when set against the export prices advantage they had established. And the Danish krone has experienced a small average devaluation when export prices suggested that there was room for some revaluation. Again, the Italian lire has recorded a devaluation of the order of 3 per cent, when export price comparisons indicated that it should have been going up.

Three points

The rise in the Austrian schilling also looks deceptively small if set against the export prices advantage this country had built up. And, of course, by insisting on maintaining its old dollar parity, France has produced a devaluation of the franc in terms of other currencies of the order of 5 per cent, when it appeared to be due for at least a small revaluation.

One must be careful, of course, not to read too much into this somewhat sketchy interim survey. But three things do seem to emerge fairly clearly. The first is that the devaluation of the dollar produced by the "dirty floating" is not so far short of what would be needed to re-establish U.S. export prices on a realistic basis as American grumbling would lead one to suppose. The second is that there is much less justification for accusations of "dirty floating" on Britain's part than Continental criticisms imply.

Thirdly, it is not only the French franc that has not moved according to form since the float—the era opened.

THE LEX COLUMN

Beecham's first half below par

With the Dow Jones Index nudging its inter-day low of last week, U.K. investors—and a certain market commentator—have nothing to resort to but the crossing of fingers. For Wall Street is not sending forth the surest signs of a fully snail out market and it would be surprising if London could hold out against the strain of further significant weakness over there. At least this is the loss selling season, which does not last for ever.

Beecham, as everyone knows, is hoist with a five-year forecast of 15 per cent per annum compound earnings growth. Last year, effectively, was no target but the first-half of 1970-71 is not with earnings per share (on a comparable tax basis) up 12.4 per cent from 6.07p to 6.82p. Part of the answer, perhaps, is in an interest charge up from £587,000 to £2.1m. There were three main factors here, the acquisitions of Massengill and the Beecham Inc. minorities in the U.S. and Fischer and Fischer

in Germany being two, and the new ampicillin plant in Belgium the third. The acquisitions probably just paid their way—even if the integration of the Massengill and Beecham Inc. sales forces was not completed until September—which leaves Belgium, and initial production difficulties, as one reason for a performance slightly below par.

The other reason, presumably, is the depressed state of the U.S. market. Otherwise, Europe is still the lead area geographically with the U.K. coming up fast. Unfortunately, the market was not in the mood for rationalisations yesterday, and the shares shed 15p to 507p, but whether this was the right attitude is a moot point. Beecham, after all, is still growing rapidly at a time when, say, Glaxo is stagnant and (judging by yesterday's annual report) is obviously unwilling to predict an end to stagnation this year. The p/e's, meanwhile, are 23½ and around 19½ respectively for the past reported 12 months. On recent performance, the differential is warranted, and it

would take a combination of optimism on Glaxo's side and relative pessimism on Beecham's to justify any narrowing of the rating gap.

Philips Lamp

The earnings downturn at Philips has indeed been reversed in the third quarter, but only in the sense that the period's figure of £10.69 a share (U.S. style) is ahead of the second quarter's £10.62. Compared with 1970 there is still a serious drop, though at 22 per cent it is a lot less severe than the 42 per cent drop of the first half. The reported figure (£10.32 a share) is still under half the previous year's level, but fortunately the final quarter this year will compare with one which showed no seasonal upturn: a reasonable projection of £11.0 a share U.S. style (against £10.87) and say £10.63 reported would give respective totals for the year of £13.0 fully diluted and £11.70 reported.

On this basis the shares, at

£131.60, would be a bargain if the nadir is really past. The problem is that Europe's overcapacity in white goods looks like being sticky for a while, and no quick end is in sight for the group's "serious difficulties" in data systems or for its heavy losses in integrated circuits. To this must be added the new parity traumas of a big exporter from Holland. The conclusion must be that if the shares are near bargain levels they may well stay there for some time. Philips seems confident that the steps taken to date, especially in terms of cutting stocks and personnel, will produce a better 1972 result—other things being equal: but shareholders have reason for caution.

Boots

Multiple chemists have been comfortably outstripping multiples generally in 1971, with sales rises of 13 and 14 per cent in the two quarters to September, and Boots has beaten both with a 16 per cent sales increase at home after

three months accelerating to 18 per cent (overall) after six months after yesterday's 21½ per cent rise to 218p. The problem, then, for a prospective p/e of about 21½ after yesterday's 14p rise to 218p is that by most of the usual yardsticks—like sales per square foot or estimated stock turn—Boots is now hitting high efficiency standards, even if that does not yet apply to the 200 odd houseware branches. Yet there are still two other prongs to the expansion pattern apart from demand trends. One is hopes of increasing market penetration in cosmetics, for example, perhaps a tenth of group sales, where the first half bore the re-launch of the main range—some 200 lines—for which sales are scheduled to double in the next couple of years. The other is the fact that although the average "chemist"

store size has now crept up to around 2,000 square feet, perhaps a third are still below the 1,000 square feet mark: new openings tend to be 4,000 square feet or bigger.

Coral/Curzon

The assumption of nil earnings per share dilution for either side in the Joe Coral/Curzon House merger ought to mean a phenomenal growth rate for the latter, given its historic p/e of 23 against Coral's 11.2. And the fact that both share prices rose yesterday assumes something else: this is a horizontal merger with no apparent synergy benefits, so the theory must be that Mr. Maxwell Joseph's name, with Giltspur Investments holding over 25 per cent of the new group's capital, will lead to an overall re-rating of the equity. That, improving the currency for subsequent acquisitions, seems a more likely course than a further infusion of Joseph interests—although the latter possibility is always likely to be at the back of the market's mind.

U.S. strike repercussions on U.K. trade surplus

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE U.K. had a trade surplus of £22m. last month. This was £22m. lower than in September, but the recent figures have been distorted by the effects of the dock strike on the U.S. East Coast.

Exports fell by £26m. between September and October to £772m, and imports dropped £4m. to £798m. There has been a rush of shipments to the U.S. in August and September in anticipation of the dock strike, which began early in October. As a result, the earlier export figures were misleadingly high, and although some goods were sent via Canada and the Gulf of Mexico, the strike reduced exports to the U.S. last month.

In the three months August to October the trade surplus averaged £59m., and in addition net earnings from "invisibles" were estimated to have been running at a further £50m. a month. The Department of Trade and Industry admits that these figures are partly guesswork: on October 25 Customs and Excise introduced a new scheme of export documentation, which it hopes will be foolproof, and eliminate the "under-reporting" which had taken place previously.

It is pointed out that in the weeks preceding the inauguration of the new scheme, the extent of under-reporting may have been reduced. There was certainly a speeding up in the flow of export documents. The DTI

has not attempted to quantify the various effects of these influences, and points out that the recent figures may have to be revised later.

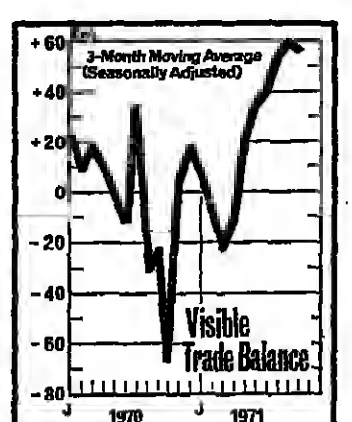
As it is, a review of the seasonal adjustment process has led to an upward revision of £36m. in the estimate of exports for the first nine months of the year, and it is noted that the "strong upsurge in exports in the Spring was rather faster than estimated at the time."

According to the revised figures published yesterday, the U.K. had a visible trade surplus of just over £350m. during the period January-October. When the estimated earnings on invisibles are included, the 1971 current balance of payments surplus—with two months of the year to go—amounts to a staggering £750m.

Exports are still on an upward trend, with a 3 per cent increase between May-July and August-October, of which just over 1 per cent represented higher volume and nearly 2 per cent was accounted for by higher prices.

Imports rose by 1 per cent overall between May-July and August-October, but within the total the revival of consumer spending in the U.K. produced a sharp increase of 12 per cent in imports of manufactured goods, mainly cars and other consumer goods.

Imports of steel from Japan



have gone up fast in recent months, but for much of the year imports from the U.S. have been falling—reflecting the deteriorating U.S. competitive position, and special factors such as the recession in the U.K. office-machinery market.

There has been little change, however, in the level of imports of basic materials, a category which often acts as a lead indicator of revived economic activity. In its Monthly Report of the Economic Situation the Treasury suggests that "preliminary indications of the movement of stocks in the third quarter are that continued destocking may have temporarily restrained the growth of gross domestic pro-

duct." It notes that "of the output indicators, the index of industrial production in the third quarter was only some 1 per cent above the rate for the first half of 1971, but it appears that output in the service industries may have increased at a faster rate."

Nevertheless, in line with the recent Ministerial predictions of a strong upturn, the Treasury states: "The evidence now available suggests that an appreciable rise in gross domestic product may be expected between the first and second halves of 1971."

It points to the increase of 13 per cent in total consumer spending between the second and third quarters (equivalent to a 2½ per cent rise on the average for the first half of the year) and notes that the volume of exports of goods and services in the third quarter was 6 per cent above the average for the first half of the year.

The Treasury also draws attention to the "considerable" slower rate of increase in retail prices during August and September, as shown by the Department of Employment's new retail price index. The new index excludes food, thereby, says the Treasury, removing "most of the seasonal variation which occurs in the all-items index."

Editorial Comment, Page 18

Fewer U.K. work permits for aliens next year

BY MICHAEL CASSELL

THE GOVERNMENT is to halt the issue of work permits for semi-skilled and unskilled alien men from countries other than Norway, Denmark and those within the Common Market.

Announcing the decision in the Commons, Mr. Robert Carr, Secretary for Employment, said the measures, which would take effect from next January 1, were being introduced because of the present domestic level of unemployment.

The only exception is to be for employees within the hotel and catering industry, where a reduction in incoming numbers will be brought about in stages. Next year, a quota of 5,000 permits will be made available for this sector, and in 1973 the number will be reduced to 3,500.

On previous patterns, the new measures could mean a reduction of anything up to 4,500 in the number of semi-skilled and un-

skilled foreign male workers taking up jobs in this country next year, with as many as 6,000 being excluded in 1973.

In 1970, a total of 9,500 semi-skilled and unskilled men from countries other than Norway, Denmark or those within the EEC found work in the U.K. An additional 10,000 skilled men, a category not affected by the latest decision, were also allowed to take up employment here last year.

Closer scrutiny

A spokesman for the Department of Employment said last night that permits held by people already working in this country would also be subject to closer scrutiny when they became due for renewal.

He stressed that although the overall number affected by the proposals was comparatively

small, the object was to maximise the employment opportunities open to British citizens at a time of high unemployment.

Efforts would be made to ensure that priority was given to local labour before the prospects of employment were offered to foreign workers, and the Department was actively pursuing the expansion of its training facilities for the hotel and catering industry in particular.

Last year, this sector accounted for 7,500 of the 9,500 permits granted to the male semi-skilled and unskilled workers from those countries about to be excluded from obtaining them. Although the maximum number will be reduced next year, the Government hopes that eventually its efforts to fill vacancies with home labour will mean considerably fewer cases of imported manpower than officially permitted.

Unions in SOGAT to part company

By Our Labour Correspondent

THE MERGER seven years ago that created the Society of Graphical and Allied Trades, the biggest printing union, is to be cancelled.

The two unions that merged to form SOGAT will split up in the near future. One of them, Natsopa, will take its former title again, but the other, the paperworkers, hopes to continue with the title SOGAT.

Natsopa has 51,000 members, and the second union, SOGAT, has 193,000. After the merger, disputes between the unions led to three High Court actions with Natsopa wanting to end the merger.

It is possible that Natsopa might begin merger talks with the National Graphical Association, 107,000 members. Members of both unions work alongside each other in a number of printing operations, and in some newspaper offices both unions have members doing the same jobs.

(See Page 24)

Coral's £8m. for Curzon House

BY SANDY McLAHLAN

J. CORAL Holdings is to pay more than £8m. for Curzon House investments, the gaming club concern controlled by Mr. Maxwell Joseph's Giltspur Investments. Terms of the deal are three Coral Ordinary shares for every two Curzon House shares, with a cash alternative of 500p a share.

Giltspur is supporting the deal, and will accept the share exchange offer, which on last night's price of 211p for Coral values Curzon House at £18p. As a result Giltspur will control something in the region of 25 per cent of the combined group—approximately the same holding as that of the combined Coral and Mark Lane family interests.

The exact percentages in each case will depend on the proportion of the outstanding 26 per cent of the Curzon equity which opts for the cash offer.

A preliminary announcement of takeover talks was rushed out on Wednesday following a 20p jump in the Curzon House share price. But yesterday Mr. John Murray, a director of Coral's financial advisers Charterhouse Japhet, said that there was no intention to ask the Stock Exchange Council to probe Curzon dealings prior to the announcement. Curzon shares rose a further 38p to 238p yesterday on market guesswork of the terms.

national Sporting Club, and the House investments, the gaming all under Curzon House management.

No immediate benefits from rationalisation or synergy are claimed for the merger, and two groups will continue to be managed independently for the time being. Apart from anything else Coral is still coping with the detailed implementation of the merger between the businesses of Mark Lane and the old J. Coral, which took place in June.

For the longer term, this latest merger is designed to provide a springboard for further expansion in the leisure field. The attraction to Giltspur is that the merger comes with the gaming policy of broadening its own base in various directions.

Although it will continue to consolidate profits from the merged group, and intends to maintain its stake as a long term investment, Giltspur hopes that the smaller stake in the larger group will help to reduce its share of dependence on gambling profits, which anyway only account for around a quarter of the total.

An extra attraction to the Coral side is the link with the widespread financial empire of Mr. Maxwell Joseph. However, it was emphasised by all parties last night that there is no intention to promote links or cross-fertilisation with the gaming empire of Mr. Joseph's Grand Metropolitan Hotels, which include Mecca and City Gate.

Independently

The merger of the two groups will create the largest gaming group in the country in profit terms, according to Coral chairman Mr. Mark Lane. The combined market capitalisation will be in the region of £22m.

The new group will range over a wide field in the betting industry from the 450-plus betting shops currently operated by Coral to the Curzon House Club, the Palm Beach Club, the Inter-

As a result of the agreed merger proposals Mr. Alfred Barnett, chairman and managing director of Curzon and Mr. Alan Fowler, managing director of Giltspur, have joined the Coral Board. In the other direction Mr. Nicholas Coral, deputy chairman of Coral, and the finance director, Mr. David Spencer, have joined the Board of Curzon.

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Weather

U.K. TO-DAY
Most places will be rather cloudy but mainly dry. Some showers at expected near the east coast and a little drizzle may occur over high ground. Temperatures will be much as yesterday's.

London, S.E. Cloudy S. England Mostly dry but becoming rather cloudy. Wind N.E. light or moderate. Max. 9C (48F).

E. Anglia, E. N.E. England Mostly cloudy, with occasional showers. Wind light, variable. Max. 9C (48F).

E. W. Midlands, Wales, N.W., S. Cent. N. England, Lakes, L. Man. Glasgow, E. S.W. Scotland Mostly dry but cloudy. W. light variable. Max. 9C (48F).

Edinburgh, Cent. Highlands Dundee, N.W. Scotland Mostly cloudy, some rain times, especially later in the day. Wind moderate or fresh. Max. 9C (48F).

Caithness, Orkney, Shetland Dry and bright early. C. increasing with some rain in W. Wind S.W. moderate or fresh. Max. 9C (48F).

OUTLOOK: Rain will spread most parts from the north-west. Lighting-up: London 16.45.

BUSINESS CENTRES

	Y-day	Mid-day		Y-day	Mid-day
Amsterdam	S 5 43	Manhattan	S 5 43	Manhattan	S 5 43
Bahrein	S 28 33	Melbourne	S 28 33	Melbourne	S 28 33
Bombay	S 28 33	Moscow	S 28 33	Moscow	S 28 33
Buenos Aires	S 28 33	New York	S 28 33	New York	S 28 33
Calcutta	S 28 33	Osaka	S 28 33	Osaka	S 28 33
Canton	S 28 33	Paris	S 28 33	Paris	S 28 33
Cebu	S 28 33	Rangoon	S 28 33	Rangoon	S 28 33
Colon	S 28 33	Singapore	S 28 33	Singapore	S 28 33
Hankow	S 28 33	Tokyo	S 28 33	Tokyo	S 28 33
Hong Kong	S 28 33	Yokohama	S 28 33	Yokohama	S 28 33
Kobe	S 28 33				
London	S 28 33				
Lyons	S 28 33				
Madrid	S 28 33				

HOLIDAY RESORTS

	Y-day	Mid-day		Y-day	Mid-day
Alicante	F 15 38	Jersey	F 15 38	Jersey	F 15 38
Alexandria	F 15 38	Las Palmas	F 15 38	Las Palmas	F 15 38
Algiers	F 15 38	Locarno	F 15 38	Locarno	F 15 38
Bahia	F 15 38	Malaga	F 15 38	Malaga	F 15 38
Barcelona	F 15 38	Malta	F 15 38	Malta	F 15 38
Batavia	F 15 38	Nassau	F 15 38	Nassau	F 15 38
Bombay	F 15 38	Nice	F 15 38	Nice	F 15 38
Bordeaux	F 15 38	Norfolk	F 15 38	Norfolk	F 15 38
Buenos Aires	F 15 38	Osaka	F 15 38	Osaka	F 15 38
Calcutta	F 15 38	Perth	F 15 38	Perth	F 15 38
Canton	F 15 38	Porto	F 15 38	Porto	F 15 38
Cebu	F 15 38	Reykjavik	F 15 38	Reykjavik	F 15 38
Colon	F 15 38	Rio de Janeiro	F 15 38	Rio de Janeiro	F 15 38
Hankow	F 15 38	Singapore	F 15 38	Singapore	F 15 38
Hong Kong	F 15 38	Tokyo	F 15 38	Tokyo	F 15 38
Kobe	F 15 38	Toronto	F 15 38	Toronto	F 15 38
London	F 15 38	Valencia	F 15 38	Valencia	F 15 38
Lyons	F 15 38	Yokohama	F 15 38	Yokohama	F 15 38
Madrid	F 15 38				

RISE IN GRANT TO BUY BUSES

From today the rate of Government grant available for the purchase of new buses is to rise from 25 per cent to 50 per cent. Grants at present account for 25 per cent of the cost of a new bus and are expected to rise to 50 per cent by the end of the year.

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£5m. gift was from Sir H. Reddish

BY DAVID FISHLOCK, SCIENCE EDITOR

THE NAME of the donor of a gift of £5m. for medical research, announced in May, 1970, has been revealed as Sir Halford Reddish, 73, chairman of Rugby Portland Cement. It is believed to be the biggest single donation ever made to medical science.

The name was disclosed yesterday by Sir Ronald Leach, who said the gift—a personal one from Sir Halford's private fortune—would be used to establish a new research centre for chronic heart and lung diseases. Sir Ronald is named as chairman of the Halford Reddish Medical Research Trust.

About £1m. of the donation will be spent building the Midhurst Medical Research Institute. In the grounds of the King Edward VII Hospital, a private hospital at Midhurst in Sussex, the remaining £4m. would support initially an annual budget of about £250,000, estimated Sir Ronald, construction will start early next year, and research begins in 1973.



Sir Halford Reddish

spent deciding to which area of medical science it could best be devoted, and how. During this interval, said Sir Ronald, the donor had preferred to remain

anonymous "to avoid being bombarded." Heart and lung diseases had been chosen as the two major diseases of our society for which there were research workers with new ideas for research worth backing.

The emphasis of the Institute's work would be preventative medicine, said Dr. Gordon Cumming, Reader in Medicine at the University of Birmingham, who becomes its medical director. Its investigations would reach from the workings of individual cells to the progress of a disease in the community.

Dr. Cumming has already appointed eleven senior research workers, including three U.S. professors, who will join the Institute over the next 18 months or so. They will work closely with the adjoining hospital, which also includes the RAF Chest Unit.

The would not be embarking on such experimental surgery as heart or lung transplants, emphasised Dr. Cumming. The underlying problems there were immunological, and he planned no work in that

area. Nor did he plan to work on cardiac support systems such as a partial or total artificial heart.